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REPORT OF THE SECRETARY-GENERAL PURSUANT TO PARAGRAPH 3 OF RESOLUTION 1111 (1997)

I. INTRODUCTION

1. The present report is submitted to the Security Council pursuant to paragraph 3 of resolution 1111 (1997) of 4 June 1997, in which the Council requested the Secretary-General to report to it 90 days after the date of entry into force of paragraph 1 of the resolution 1111 (1997), by which the Council extended the provisions of resolution 986 (1995) for an additional 180 days. It provides information on the distribution of humanitarian supplies throughout Iraq, including the implementation of the United Nations Inter-Agency Humanitarian Programme in the three northern governorates of Dahuk, Erbil and Sulaymaniyah. Since no humanitarian goods under the second phase of implementation of resolution 986 (1995) have reached Iraq yet, I expect to report on the implementation of the second phase prior to the end of the current 180-day period.

2. On 9 June 1997, the memorandum of understanding was further extended for a period of six months through an exchange of letters between the United Nations and the Government of Iraq. On 14 June 1997, United Nations officials initiated a process of intensive consultations with local counterparts in the three northern governorates to prepare inputs for the new distribution plan. The proposed plan for the three governorates was submitted to the Government of Iraq on 29 June 1997 and the annexes on 5 July 1997. On 21 July 1997, the Government of Iraq submitted its country-wide distribution plan to me. On the basis of issues raised by the United Nations, the Government of Iraq submitted the revised plan to me on 4 August 1997, and I approved it on the same day. Earlier the Government had given me assurances that the unmet needs of vulnerable groups in central and southern Iraq would be addressed outside the framework of resolution 986 (1995).

3. Mr. Staffan de Mistura successfully completed his assignment as United Nations Humanitarian Coordinator for Iraq at the end of August 1997. I have appointed Mr. Denis Halliday as the new United Nations Humanitarian Coordinator for Iraq effective 1 September 1997. Senior Secretariat officials have continued to brief the Security Council Committee established by resolution 661 (1990) of 6 August 1990 on a regular basis. Weekly reports are also being provided to the Committee by its secretariat. In addition, since last June, a

comprehensive fortnightly report on activities in Iraq related to the implementation of resolution 986 (1995) is being made available to the Committee by the Department of Humanitarian Affairs.

II. SALE OF PETROLEUM AND PETROLEUM PRODUCTS

4. Sale of petroleum resumed on 8 August 1997 following the submission of the pricing mechanisms by the Iraqi State Oil Marketing Organization for liftings of Iraqi crude oil in August and their approval by the Security Council Committee. The oil overseers have continued to advise the Committee on pricing mechanisms, contract approval and modifications, management of the 90-day revenue objective of US$ 1.07 billion (including the pipeline fee) and other pertinent questions relating to imports and monitoring of each export of petroleum originating in Iraq in accordance with resolutions 986 (1995) and 1111 (1997).

5. As of 31 August 1997, the overseers had reviewed and approved a total of 24 contracts involving purchasers from 14 countries. The total quantity of oil approved for export under those contracts corresponds to approximately 107.9 million barrels for the 180 days. In the first 90 days, 24 liftings, totalling 28.7 million barrels, with an estimated value of $456.2 million, have been completed. The first lifting took place on 15 August 1997 at Ceyhan, Turkey. About 62 per cent of the liftings have been made at Ceyhan. Owing to the delayed resumption in the sales of petroleum, it appears that the total revenue generated for the first 90-day period will be about $500 million below the 90-day objective of $1.07 billion (including the pipeline fee), if current prices remain unchanged.

6. With the intention of achieving the 1 billion dollar revenue objective for the first 90 days over a relatively short period, a tight schedule for liftings has been adopted by the Iraqi State Oil Marketing Organization. The overseers and the independent inspection agents (Saybolt) have worked closely to ensure the monitoring of the relevant oil installations as well as the liftings. They have received the full cooperation of the Iraqi and Turkish authorities. Based on the assessment of the overseers and the independent inspection agents (Saybolt), Iraq remains capable of exporting sufficient quantities of petroleum to meet the revenue target of $1 billion every 90 days.

III. PURCHASE AND CONFIRMATION OF ARRIVAL OF HUMANITARIAN SUPPLIES

7. As of 31 August 1997, a total of 786 applications for exports of humanitarian supplies to Iraq under resolution 986 (1995) had been submitted to the Security Council Committee, 67 had been approved, 83 were on hold, 20 were blocked, and 11 were pending under the "no-objection" procedure or awaiting clarification. As mentioned in my last report on the implementation of resolution 986 (1995) (S/1997/419), the Security Council Committee established by resolution 661 (1990) has adopted a number of measures with the aim of further facilitating a smoother process for the approval of contracts. These matters are covered in the report of the Committee of 27 August 1997 (S/1997/672).

8. The United Nations independent inspection agents (Lloyd's Register) continue to authenticate the arrival in Iraq of humanitarian goods at the entry points in Zakho, Trebil and Umm Qasr. In carrying out their functions, they receive the full cooperation of the Iraqi authorities. On 14 June 1997, the Government of Iraq submitted a request for the addition of a fourth point of entry at the border of Iraq and the Syrian Arab Republic for the import of goods under resolution 986 (1995). In response to that request, I authorized the dispatch of a technical mission to Iraq for the purpose of making an on-site survey of the proposed new entry point. Pursuant to paragraph 26 of the memorandum of understanding between the United Nations and the Government of Iraq on the implementation of resolution 986 (1995) (see S/1996/356) and based on the findings and recommendations of the technical mission, I approved, on 31 July 1997, the designation of Al-Walid at the border (facing Al-Tenf in the Syrian Arab Republic) as a new entry point. Preparations are currently under way for the deployment of 10 independent inspection agents to authenticate the arrival of humanitarian supplies at the new entry point.

IV. UNITED NATIONS IRAQ ACCOUNT

9. By its resolution 1111 (1997), the Security Council authorized the Government of Iraq to export petroleum and petroleum products for another period of 180 days, beginning 8 June 1997. However, oil sales did not commence until 8 August 1997. Between 11 and 31 August 1997, 31 letters of credit were confirmed by the Banque nationale de Paris pursuant to resolution 1111 (1997). The proceeds from these oil sales are expected to be approximately $574 million. Owing to the fact that there is a time lag of about a month between oil loading and the deposit of the related payments into the United Nations Iraq Account, funds from oil sales under the second phase of implementation of resolution 986 (1995) are not expected to be deposited in the Account before the middle of September 1997.

10. On 27 June 1997, the last deposits due from the first 180-day period were made to the Account. A total of 125 letters of credit were processed, bringing the total of proceeds to $2,149,806,395. As at 2 September 1997, the allocation of these funds and the corresponding expenditures were as follows:

(a) $1,066.9 million have been allotted for the purchase of humanitarian supplies by the Government of Iraq, as specified in paragraph 8 (a) of resolution 986 (1995). Letters of credit issued by the Banque nationale de Paris on behalf of the United Nations for the payment of those supplies for the whole of Iraq amounted to $1,052.5 million;

(b) $261.5 million have been allotted for the purchase of humanitarian goods to be distributed in the three northern governorates by the United Nations Inter-Agency Humanitarian Programme, as specified in paragraph 8 (b) of the resolution. Expenditures recorded for humanitarian goods approved by the Security Council Committee amounted to $131.6 million, of which bulk purchases made by the Government of Iraq for the three northern governorates amounted to $55.4 million;

(c) $603.5 million have been transferred directly to the United Nations Compensation Fund, as specified in paragraph 8 (c) of the resolution. Of that amount, $144.0 million have been allotted for the payment of the first instalment of "A" and "C" claims and $8.1 million for the operating expenses of the Compensation Commission;

(d) $44.6 million have been allotted for the operational and administrative expenses of the United Nations associated with implementation of resolution 986 (1995), as specified in paragraph 8 (d) of the resolution. Expenditures for administrative costs for all United Nations entities involved in implementing the resolution amounted to $31.7 million;

(e) $15.1 million have been allotted to the United Nations Special Commission for its operating requirements, as specified in paragraph 8 (e) of the resolution. Expenditures for the Special Commission amounted to $11.1 million;

(f) $137.9 million have been set aside for the transportation costs of petroleum and petroleum products originating in Iraq exported via the Kirkuk-Yumurtalik pipeline through Turkey, in accordance with paragraph 8 (f) of the resolution and in line with procedures adopted by the Security Council Committee. Of this amount, $96.6 million have been disbursed and the balance of $41.3 million transferred to the United Nations Compensation Fund;

(g) $20.1 million have been transferred directly to the escrow account established pursuant to resolutions 706 (1991) of 15 August 1991 and 712 (1991) of 19 September 1991 for the repayments envisaged under paragraph 6 of resolution 778 (1992) of 2 October 1992, as specified in paragraph 8 (g) of resolution 986 (1995).

11. A total of 586 letters of credit for humanitarian goods have been issued pursuant to resolution 986 (1995). As at 31 August 1997, a total of $499,407,336 had been paid to suppliers under the terms of their letters of credit. At the same time, $597,996,848 was held as collateral to cover payments to suppliers whose letters of credit remained open.

12. Pursuant to paragraph 7 of resolution 986 (1995), the United Nations Iraq Account was audited by the United Nations Board of Auditors, both at Headquarters and in Baghdad in July 1997. The audit was initially scheduled for two weeks at Headquarters and two weeks in Baghdad, but was extended by another week at Headquarters. The Board of Auditors is scheduled to return to New York for two to three weeks in October 1997 to finalize its audit of the Account and to prepare the report on the financial statements covering the period from the establishment of the Account to 30 June 1997.

V. IMPLEMENTATION OF THE DISTRIBUTION PLAN

13. By the end of the first 180-day period, over 700,000 tons of food and related items had reached Iraq, accounting for some 29 per cent of the total allocation for these goods under the first distribution plan. As of 31 August, a cumulative total of 1,831,101 tons had reached Iraq, accounting for some

82 per cent of the total allocation, and 1,516,378 tons had been distributed to governorates. Applications for the 98 per cent of the amount allocated to this sector had been approved by 28 August 1997, and, according to the Ministry of Trade, the remainder is expected to have arrived by December. As of 31 August, available stock and deliveries due during the following month were expected to be sufficient to ensure a full distribution of most commodities in September. Annex I shows cumulative arrivals, distribution, current stock balance and ration scales used in the reporting period.

14. The workings of the food distribution system of the Government of Iraq were explained in detail in my last report to the Security Council prior to the end of the 180-day period (S/1997/419, paras. 17-19). Although there have been no major changes to the distribution system, in view of the comparatively large stock of infant formula built up through the arrival of the whole allocation under the first phase of implementation of resolution 986 (1995) within a space of 10 weeks, the Government of Iraq announced in mid-May that the parents of children born after May 1997 would be required to accept the infant formula, soap and detergent for their children rather than choose to receive adult rations. In August, United Nations observers reported that this change appears to have been increasingly enforced.

15. Owing to the delay in arrival of foodstuffs and related items, the Government of Iraq decided to supplement the food basket from its own stocks at the pre-resolution 986 (1995) scale in central and southern Iraq. As shown in annex I, full distribution under resolution 986 (1995) was achieved in August 1997.

16. As of 31 August 1997, medicines and medical supplies worth some 13.3 per cent of the approved contracts and 9.6 per cent of the total allocated under this sector had arrived in Iraq. As of 17 August, supplies worth some $17,369,615 had arrived in the country, and, as of 31 August, $14.9 million had been distributed to health facilities. Annex II gives the value of health supplies received, suitably categorized. The low volume of medical goods reaching Iraq, particularly at the early stages of the programme, was due to the fact that a large number of medical applications (65) have been on hold pending clarification of a variety of technical issues. As of 31 August, all but five holds had been lifted, bringing total approvals to $192,350,169 or 92 per cent of the total $210 million allocation. As the expected lead time is 8 to 10 weeks for medical supplies, it is hoped that 55 per cent of these commodities will reach Iraq within the next 90 days. These will include medical, paediatric, surgical and laboratory supplies.

17. So far, almost all of the medical supplies under resolution 986 (1995) have been imported through the Trebil entry point, with only one consignment worth $125,100 through Zakho. Goods are consigned to the Kimadia warehouses in Baghdad, and all medicines are subject to central quality assurance tests. After clearance has been given, medicines are allocated to directorates of health warehouses in the governorates according to criteria established and interpreted by a central drug committee. For general health supplies, these criteria include such factors as governorate population, number of hospital beds, areas of specialization, out-patient attendance, number of operations and laboratory investigations. Some medicines will be restricted to specialized

units (e.g. anti-cancer drugs), and medical and surgical items will be provided only to those hospitals that have the appropriate staff and facilities to utilize them effectively (e.g. cardiac centres). The Ministry of Health intends to retain 10 per cent of all general medical supplies as buffer stock at Kimadia warehouses in Baghdad to meet potential emergencies expected to be beyond the resources of any one governorate. However, supplies to the private sector are excluded. No individual governorate has established buffer stocks using supplies received under resolution 986 (1995). When governorate directorates of health receive allocations from Kimadia their own drug committee decides on the exact quantities to be allocated to public and private facilities within the governorate. A maximum of 35 per cent mark-up over the wholesale price is permitted by Kimadia, which is inclusive of all administrative, transport and storage costs. All pharmacies will be requested to store supplies received under resolution 986 (1995) separately from all other items, retain vouchers for at least a year and keep standardized records of receipt and issue.

18. At present, the public health care system comprises 113 hospitals, 898 health care centres and some 45 specialist facilities covering such disciplines as cardiovascular care, gynaecology, paediatrics, plastic surgery, limb prosthesis and mental health. Additional services are provided through public, health insurance and chronic illness clinics where patients pay for services and medicines at rates considerably lower than those levied by private medical practitioners. Also, throughout the 15 central and southern governorates, supplies received under resolution 986 (1995) will be sold at fixed prices through 2,243 private pharmacies. One industrial occupational health facility servicing 21 first aid stations has also been designated to receive supplies. The Ministry of Health has given assurances that it does not restrict treatment to company employees and their families. Central and governorate warehouses operate both manual records and a computerized record system provided by the World Health Organization (WHO) using "microdrug" software. Governorate directorates of health are responsible for the transportation of supplies from Kimadia to their own warehouses. However, hospitals are responsible both for the collection from governorate warehouses, and, in some cases for redistribution to health centres.

19. The status of implementation for the other sectors varies. In the water and sanitation sector, although the Security Council Committee has approved 16 applications worth $14,907,212, representing some 62 per cent of the total allocation for this sector, no supplies have arrived. Collection of the first supplies of chlorine gas for water purification is under way. The relevant Iraqi authorities have identified some 207 water projects and 41 associated installations which will receive supplies under resolution 986 (1995). In the agricultural sector, although the Committee has approved 42 applications worth $13,227,133, no supplies have arrived. This represents 55 per cent of the total $24 million allocation for this sector. Some of these supplies are expected to reach Iraq within the next three weeks. According to the Food and Agriculture Organization of the United Nations (FAO), the proposed import of agricultural equipment and spare parts for machinery is to meet the minimum needs of small farmers throughout the country to prevent further deterioration of the sector. Equipment and supplies will be distributed through the existing network run by the Ministry of Agriculture and State Agricultural Supplies Company throughout all 15 of the central and southern governorates. FAO warehouses will be used to

store aerial spraying equipment and agricultural chemicals. Under the first phase of implementation of resolution 986 (1995), $36 million was allocated in the electricity sector for essential repairs and maintenance of four thermal power stations and associated transmission/distribution lines. In this sector, out of 78 applications, the Committee has approved 49, worth over $20 million, representing some 56 per cent of the total allocation for the sector; however, no supplies have arrived. Some of these supplies are expected to reach Iraq from next month onwards. In the education sector, under the first phase, $12 million was allocated for essential repairs to school buildings and the provision of educational equipment and materials. The Government of Iraq has said that 2.25 million pupils in 2,250 schools in all 15 central and southern governorates would benefit from these inputs, and the Ministry of Education has now provided allocation plans for the educational sector. Although the Committee has approved two applications worth $2,999,000, representing some 25 per cent of the total allocation for this sector, no supplies have arrived. These supplies are expected to reach Iraq within the next five months, and therefore will not arrive in time for the start of the 1997/1998 school year.

Implementation of the distribution plan by the United Nations in the three northern governorates

20. Over the last two months, the pace of implementation has quickened, with deliveries of humanitarian supplies in the agriculture, education, food, nutrition, and water and sanitation sectors; in addition newly arrived United Nations agencies have completed their deployments. New programmes have been initiated with the arrival of bulk quantities of therapeutic milk for the United Nations Children's Fund (UNICEF), the distribution of pesticides by FAO, the arrival of school rehabilitation materials for the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the start of water and sanitation projects by the United Nations Centre for Human Settlements (Habitat) for internally displaced persons. This has demonstrated that the three northern governorates have received their share of resources under resolution 986 (1995) without hindrance by the Government of Iraq. Medical supplies have begun to arrive, albeit significantly later than originally anticipated. These have helped to allay the initial criticisms of the slow pace of implementation at all levels. Annex III shows the status of United Nations applications received and approved for the three northern governorates as at 31 August 1997.

21. The second distribution plan includes some sectoral adjustments in the northern governorates of Erbil, Sulaymaniyah and Dahuk. With respect to agriculture, an increase in allocation from about $20,200,000 to $26,000,000 will permit some increase in agricultural inputs, thereby lowering the cost of production and encouraging farmers to remain on the land. This in turn will contribute to the continued return and increased self-sufficiency of refugees and displaced persons, many of whom are experiencing additional hardships as a result of political upheavals and occasional fighting. Funds allocated to nutrition have also been increased from $5,000,000 to $9,900,000, increasing the proportion of currently malnourished women and children, particularly among the displaced, who can benefit from supplementary feeding.

22. There have been slight delays in the arrival of supplies authorized under resolution 986 (1995) as a result of continuing hostilities; according to the

Government of Iraq, the reduction in the pulse ration by half a kilo in July 1997 was directly due to shipment delays as a result of Turkish military action in northern Iraq. Distribution of the July food basket to some 53,000 persons in areas around the towns of Sarsink, Begova and Amadiyah was delayed for one week owing to hostilities in the region. UNICEF was similarly unable to distribute therapeutic milk to facilities in the area. While World Food Programme (WFP) observers were not able to reach these areas in July and August, they have confirmed that delivery of food by local transporters continued. However, United Nations staff have continued to seek advice from the United Nations Guard Contingent in Iraq before visiting the areas involved.

23. The United Nations Guard Contingent in Iraq has continued to protect United Nations personnel, assets and operations linked to the humanitarian programme in the three northern governorates. Its main activities include security patrolling, planning and preparedness, static protection of United Nations facilities, escorting relief convoys and operating a communications and a movement tracking facility. It also provides an emergency medical service. Contingent guards are provided by Member States, with equipment and operating costs funded entirely from voluntary contributions. In July 1997, a review mission led by the Department of Humanitarian Affairs of the Secretariat, with the participation of the Office of the United Nations Security Coordinator, confirmed a continued need for the United Nations Guard Contingent in Iraq at a reduced level of about 130 guards and recommended new vehicles and communications equipment, at an estimated annual cost of $8 million.

24. Under the first phase of implementation of resolution 986 (1995), the three northern governorates were allocated $122 million for food and related items. During June, July and August, some 130,578 tons of food, soap and detergent arrived at WFP-controlled warehouses in Kirkuk and Mawşil, compared with a total requirement of 152,805 tons. This represented goods worth some $46,391,225, 41.4 per cent of the total allocation. It is expected that most of the remainder will be received within the next 90 days. A total of 125,366 tons have been distributed to over 10,300 ration agents throughout the three northern governorates. Because of delays in the arrival of commodities authorized under resolution 986 (1995), it was only in August that the first full ration under the resolution was distributed to the population. Unlike in central and southern Iraq, where the Ministry of Trade distributed its own stocks at pre-resolution scales, such stocks were not available to offset resolution 986 (1995) shortfalls in the three northern governorates. During the period, the amount of food dispatched from WFP warehouses under resolution 986 (1995) rose from 7,000 to between 8,000 and 10,000 tons of food per week. In addition, WFP continued its existing supplementary feeding programme for vulnerable groups and assisted 328,000 people.

25. The outlines of the United Nations food allocation and distribution system in the three northern governorates has been explained in my last report, submitted to the Council prior to the end of the 180-day period (S/1997/419, paras. 23 and 24). There has been no change to this system, and every effort is being made to ensure efficient distribution. However, in August, WFP staff in Mawşil and Kirkuk had to standardize all bags of rice and pulses for onward distribution because some bags had suffered weight loss due to evaporation. Rebagging reduced the daily transhipment rate to 100 tons from the required

150 tons, and the distribution of rice and perhaps other commodities may spill over into September. Similarly, insufficient flour milling capacity in Kirkuk may lead to distribution delays in Sulaymaniyah.

26. Although responsibility for the registration of beneficiaries rests with local authorities, because of inadequate local infrastructure, WFP has continued to devote considerable effort to ensuring that all eligible persons are registered to receive food rations. Each month, WFP compares lists provided by local authorities with its own computerized database. Although some multiple registrations appear to have been deliberate attempts to obtain extra rations, most are attributed to families moving to other governorates and failing to cancel previous registrations. Even so, in Erbil governorate, WFP monthly registration cross-checks continue to reveal a higher than acceptable incidence of multiple registrations. WFP continues to urge more effective action by governorate authorities to enforce correct registration procedures. Nevertheless, the WFP-managed distribution system continues to function well and 100 per cent of available commodities were distributed in June and July. A total of 50,008 household spot checks by WFP in the same months revealed no incidences of beneficiaries not receiving rations.

27. Under the first phase of implementation of resolution 986 (1995), the three northern governorates have been allocated $28.8 million in medicines and medical supplies. As of 31 August, $0.9 million, representing 3 per cent of the total allocation, had been received by WHO and $0.6 million distributed to 29 hospitals and 341 public health care centres. The slow arrival of medical supplies authorized under resolution 986 (1995) has been a major concern throughout the three northern governorates. Donations from other sources have dried up, thus aggravating an already critical situation. With the limited resources available to them, the local authorities have sought to obtain essential items from other sources, and appeals have been made to possible donors. There has been timely collection of supplies by WHO from the Kimadia central warehouses and onward transportation to the medical warehouses in each of the three northern governorates. These facilities have been extensively renovated to provide suitable storage. All 29 hospitals and 400 primary health care centres have been designated to receive supplies authorized under resolution 986 (1995). Allocation criteria are comparable to those used by the Ministry of Health in central and southern Iraq. To date, the distribution has proceeded smoothly, and some facilities are already reporting an increase in patient attendance.

28. In the health sector, UNICEF has submitted five contracts for a total value of $3,608,573, and all contracts have been approved. As of 31 August, vaccines worth $134,000 had been received by UNICEF, representing 25 per cent of the allocated vaccines. Some of these will be used to immunize 510,000 children under the age of five against life-threatening diseases, commencing in early September 1997. The epidemiological surveillance system is being reactivated by WHO, which will use $300,000 allocated under the first phase of implementation of resolution 986 (1995) for support activities. It is therefore expected that there will be an improvement in the quality of health information collection which will also contribute effectively to disease control. Under the first phase, $10.4 million was allocated to medical repairs. WHO has placed orders worth $6.4 million for spare parts used in rehabilitating equipment at health

facilities in all three northern governorates, and some supplies have begun to arrive.

29. For the water and sanitation sector, $20.2 million was allocated under the first phase. UNICEF has submitted 31 contracts for a total value of $18,481,537, and all have been approved. The first UNICEF delivery of 340 tons of water and sanitation supplies arrived in August and will be used to construct 150 pump houses and 17 sewerage channels in urban and semi-urban areas. In rural areas, they will be utilized to make tap stands and reservoirs.

30. Under the first phase, in the nutrition sector, $1.3 million was allocated to UNICEF to implement a therapeutic feeding programme for the rehabilitation of malnourished children and to decrease the incidence of iodine deficiency disease and vitamin A disorders. The whole order of 100 tons of therapeutic milk powder has been received, and three months' supply (21.3 tons) has been distributed to 13 nutritional rehabilitation centres and 87 primary health care centres to benefit some 25,000 nutritionally vulnerable children. UNICEF has undertaken appropriate local staff training. United Nations observers have confirmed that these supplies are being stored and distributed appropriately and have sought improvements where necessary in the collection of nutrition survey data. In August, the Security Council Committee approved WFP applications totalling $3.6 million for a supplementary feeding programme targeted at malnourished children, pregnant and nursing mothers, internally displaced persons, returnees and refugees, as well as hospitals and social welfare institutions.

31. In the agriculture sector, $20.15 million was allocated under the first phase. As of 31 August, the Security Council Committee had approved agricultural inputs and supplies for a total value of $19,303,638, representing 95.7 per cent of the total. In mid-June 1997, inputs worth $3,050,115 arrived out of the first priority list, worth $7,480,390. Out of this, owing to seasonal cropping requirements, only pesticides, worth $785,253, were distributed through a summer plant protection campaign. Training was also provided for 162 agricultural plant protection technicians, who assisted some 19,000 beneficiaries. FAO expects that goods worth $11,692,688 from the second priority list, approved in May, will be needed for the forthcoming winter season. Most of the distribution is expected to commence in September in time for the inputs to be used during the optimum cropping season. Purchase orders for the second priority list of spare parts for machinery, fertilizers, seed drills, animal vaccines and fungicides, have been issued by FAO. Criteria used in distributing inputs include full participation by local authorities and communities, joint planning of pest and disease control campaigns and targeting and selection of beneficiaries based on proven need. Inputs such as spare parts, machinery and pesticides for non-endemic diseases will be sold to support further agricultural investment.

32. Under the first phase, $13.17 million was originally allocated for electricity in the energy sector. However, the overall electricity allocation was increased by transferring $10.1 million that had been set aside to purchase kerosene heating fuel for the winter of 1996/1997. The Security Council Committee has authorized 42 applications for the whole allocation through the United Nations Development Programme and the Department for Development Support and Management Services of the Secretariat. This will permit essential repairs

and maintenance to be undertaken at the hydro-power stations of Derbandikhan and Dokan and the related transmission and distribution network. The first equipment is due to arrive in October 1997. However, it should be noted that some components will require a significant manufacturing lead-time, and most major items are not expected to arrive until mid-1998. Additional electrical equipment and spare parts procurement, financed from the $10.1 million allocation, has now been approved. Some of the funds will also be used for assessing the condition of the two dams.

33. In the education sector, $15.15 million was allocated under the first phase. A total of $10 million has been allocated to UNICEF and $5.15 million to UNESCO. UNICEF has submitted 13 contracts for a total value of $9,348,131, and all contracts have been approved. As of 31 August 1997, UNICEF had received 125 tons of educational supplies, which will be used by UNESCO to manufacture 25,000 school desks. UNICEF is expecting the arrival in early September of bulk classroom supplies. These will be distributed to benefit children in all three northern governorates in time for the new school year. In addition, it is planned that 4.5 million textbooks and school and office records will be printed and 280 primary school facilities will have their water and sanitation facilities rehabilitated. Out of the $5.15 million allocation to UNESCO, 13 contracts were submitted to the Security Council Committee amounting to $3,123,825, all of which have been approved. The balance will be allocated to international procurement of school supplies and local procurement of construction materials. UNESCO has completed the rehabilitation of its warehouses and workshops. Supplies for the construction of schools and production of school desks have started arriving, and a chalk and blackboard production unit is now functioning.

34. The issue of internally displaced persons remains of concern to both the United Nations and local authorities. There are more than 500,000 internally displaced persons in the three northern governorates. Half were displaced prior to 1991, 150,000 between 1991 and 1995, 100,000 in 1996 and approximately 3,000 more in 1997. In 1994, 1995 and 1996, there were 7,200 returnees from the Islamic Republic of Iran; in the first seven months of 1997, 2,704 individuals returned. Under the first phase, $12 million was allocated to the United Nations Centre for Human Settlements (Habitat) for this sector. As of 31 August 1997, the Security Council Committee had approved applications totalling $3.6 million and implementation had started. Of 155 projects planned, 70 projects totalling $3,486,880 have been designed and formulated, and a timetable for execution in each governorate has been prepared. In August, implementation of the first Habitat sewerage project under resolution 986 (1995) began in Erbil and Dahuk. Three school projects in Dahuk and one road project in Erbil also commenced. Thirty-six projects are scheduled for completion by the end of 1997. In addition to the specific allocation for resettlement, internally displaced persons will benefit from the implementation of many projects in other sectors.

35. Under the first phase, $2.5 million was allocated for mine-related activities. The presence of mines in the three northern governorates, particularly in the governorate of Sulaymaniyah, was identified in my report of 2 June 1997 (S/1997/419) as a serious concern. After the importation of demining equipment, arrangements can proceed for the training and employment of

additional local deminers. This programme will increase the rate at which areas can be rendered safe for agriculture and resettlement. UNICEF is also proceeding with an expanded mine-awareness programme for over 100,000 women and children.

VI. OBSERVATION MECHANISM AND ACTIVITIES

36. The workings of the three tiers of observation were explained in my previous report to the Security Council (S/1997/419), mainly with regard to the food sector. Annex IV shows observation activity by United Nations observers during the reporting period. In the health sector, United Nations international observers routinely visited health facilities in all governorates, including the three northern governorates. Stock records at all levels have been checked and supplies verified. They also provided advice on aspects of supply management and gathered information on the status of equipment, transport, storage and water and electricity supplies. In addition, coverage was extended to private sector facilities. In accounting for supplies, discrepancies, if any, found during the visits, are clarified with staff, while general issues are raised with the Ministry of Health for action. Under the first phase of implementation of resolution 986 (1995), over 2,000 different medical items are to be imported. So far, MDOU has selected some 50 of the most expensive items for regular tracking through to the end-user. While WHO teams have until now covered all items, with the rapid increase in arrival of a greater number and variety of items, a random selection will have to be made to cover supplies to all levels of the health service.

37. In the sectors of nutrition, water and sanitation, education, electricity and agriculture, United Nations agencies are assessing the suitability of storage and distribution systems prior to the arrival of inputs under resolution 986 (1995). In cooperation with them, MDOU has designed preliminary observation mechanisms, including criteria and frequency of observation, as well as the tracking of non-consumable items, so that United Nations observers are able to report whether equipment and materials are installed, constructed or otherwise used according to prepared specifications. Brief outlines of these mechanisms have been made available to the Security Council Committee. In the agriculture sector, FAO has undertaken a detailed warehouse assessment programme to check the arrangements for storing and distributing supplies received under resolution 986 (1995). The 10 international observers from FAO will oversee the use of helicopters in the winter crop-spraying programme. In the water and sanitation sector, the nine international observers from UNICEF will assist in tracking 2,750 tons of chlorine gas to ensure that supplies are used in the designated plants and the gas cylinders returned on schedule to Turkey for refilling. In the electricity sector, United Nations observers have been given access to power supply data and some power plants, and prepared guidelines for reporting whether equipment ordered and received had been installed as authorized. The five international observers from UNESCO are completing preparations for observing the manufacture of educational materials, in cooperation with UNICEF.

38. In general, United Nations observers report that they continue to be granted ready access to facilities and records on request. They remain alert to any undue influence by escorts on the observation process, particularly with

regard to beneficiary interviews. So far, only a few instances, out of thousands of observation visits, have been reported to the Humanitarian Coordinator to bring to the attention of the relevant government authorities. Similarly, there have only been a few instances in which government authorities have complained about the pertinence of some questions by observers. These have been resolved to the satisfaction of the United Nations and the Government of Iraq. Despite occasional reluctance by escorts to visit a particular area, there has been no recorded instance where GOU observers have been denied access to any observation point. GOU observers reported a marked upsurge in hostile comment towards them following announcement by the Ministry of Trade of ration reductions in May/June. Although the level of resentment fluctuates, popular disappointment with the perceived slow pace of implementation of resolution 986 (1995), and, in particular, erratic food distribution, delays in the arrival of medicines and severe power cuts, continues to be voiced against the United Nations, and a growing number of beneficiaries decline to be interviewed. On six occasions, GOU observers withdrew or the number of observation visits were reduced in order to minimize potential confrontation.

VII. FINDINGS ON EFFICIENCY, EQUITABILITY AND ADEQUACY

Efficiency

39. In the food sector, United Nations observers have reported that once food arrives at any of the three entry points, dispatch and distribution is efficient. In the period covered by the present report, handling losses at Umm Qasr and warehouses have been within acceptable limits. However, ration agents complain that because of poor quality sacks, losses from pulses and rice are in excess of the 2 per cent transit allowance granted by the Ministry of Trade, forcing them to make good the shortfall themselves. At warehouses and at ration agents, commodities are normally stored in clean, separate conditions. However, flour production at mills has been disrupted by insufficient grain stocks, lack of spare parts, poor maintenance and cuts in power supply. As a result of the production difficulties experienced by mills, flour distribution was delayed in two governorates for a week in July. Equipment for food handling, valued at $30 million, was included in the first distribution plan. As of 31 August 1997, applications worth $6,735,619 had been approved for spare parts and equipment for milling, but many were not approved until recently, and it is doubtful whether they will be sufficient to redress the problems faced by the majority of mills.

40. Effective tracking of grain and flour production has been complicated by the delayed arrival of wheat grain, which has led the Ministry of Trade to shift stocks between silos in order to maintain production. This is compounded by the rapid processing rate, poor record-keeping at some mills and, sometimes, lack of timely information from the Ministry of Trade. Both WFP and GOU have brought the difficulty in accessing accurate data to the Ministry's attention to ensure that mill owners are reminded of their obligation to maintain adequate records. Mills that have persistently failed to meet standards have received sustained scrutiny from United Nations observers.

41. With regard to the quality of food commodities, of 879,026 tons of food that have arrived in Iraq only negligible quantities were found to be unacceptable and were, therefore, not distributed. Some quality problems were only identified after distribution had begun. In April 1997, 294 tons of infant formula were found by the Ministry of Trade to be unfit for human consumption, and these were recalled and replaced. However, during the reporting period, parents frequently complained that they had received infant formula inappropriate to the age of their child, forcing them to sell their allocation in order to purchase the correct article at higher prices on the open market. Ration agents and beneficiaries have sporadically complained about leaking tins and malodorous vegetable ghee, and persistently complained about poor quality pulses. However, United Nations observers found that complaints about types of tea and wheat only reflected consumer preference, not poor quality. Where the Ministry of Trade was able to blend these products no complaints were received.

42. Few complaints were noted against ration agents in the centre and south. WFP spot checks of 6,092 beneficiaries in June 1997 found that fewer than 1 per cent expressed any dissatisfaction with their agents. After receiving their allocations, almost all agents distributed rations within the specified 48 hours. Where necessary, Ministry of Trade escorts or governorate officials accompanying United Nations observers instructed ration agents to comply with proper regulations. In the three northern governorates, a larger number of anomalies, such as short measures, faulty scales and overcharging, were reported. Since WFP manages the warehouses and distribution in the three northern governorates, it has been able to observe ration agents more closely, visiting almost all agents in Erbil and Dahuk twice, and in Sulaymaniyah three times. Well-publicized removal of licences from 76 agents in Sulaymaniyah and 12 agents in Erbil has led to a drop in reported incidents of unacceptable practices. Also, following United Nations scrutiny of secondary transporters in Sulaymaniyah, only 1 per cent of ration agents complained that they had been overcharged in August compared with 5 to 10 per cent in May.

43. The erratic delivery of supplies led to inefficiencies in food distribution, affecting both ration agents and beneficiaries alike in May, June and July 1997. The Ministry of Trade released some of its own stocks to cover some but not all shortfalls. Ration agents had to make additional visits to governorate warehouses to collect their full allocations, increasing transport costs, and, of greater significance, the delay made it very difficult for beneficiaries to plan their diet. In some areas, the gap between distributions was as much as six weeks. As dependability of supply is very important to those with few supplementary resources, delays impact adversely on the poorest households.

44. In regard to medical supplies, to date, of $20.6 million delivered, no item has failed to meet specifications and only one is under re-examination. The average time taken by the Quality Control Laboratory to carry out tests on a particular batch of medicines has been 14 days. Where additional or special tests are required, this period may be extended up to 21 days, which is considered acceptable. Medicine and medical supplies worth $14.9 million were distributed to the governorates during the period, and, in general, were received by end-user facilities within 21 to 28 days of their release.

45. Records are maintained at all levels of the distribution system, which enables the full range of medicines and medical supplies to be traced through to the end-user. Although parallel computerized and manual records are maintained at central and governorate warehouses, in the hospitals and health care centres records are only kept manually, usually in ledger form. Normally, supplies received under resolution 986 (1995) are stored separately from other supplies and recorded in separate ledgers. Record-keeping standards and the availability of stationery for this vary between facilities. In instances where United Nations observers have requested improvements in record-keeping to enable supplies received under resolution 986 (1995) to be clearly identified, the facilities concerned have generally complied promptly. In a few instances, supplies have been distributed to facilities which cannot use them effectively. This is partly because erratic supply has prevented complementary equipment and materials from arriving together and partly due to inadequate information about the functional status of equipment or utilization rates for given materials. Conversely, faced with continuing shortages of basic drugs, doctors have felt compelled to use recent arrivals of advanced antibiotics intended for the treatment of chronic cases. The United Nations is focusing attention on all these issues and is urging that supplies be allocated only when they can be stored and utilized appropriately.

46. The lack of transportation has emerged as an unexpected impediment to the efficiency of distribution, as has the inadequate continuity of the cold chain for supplies requiring temperature control. Hospitals and health care centres not only lack functioning vehicles but also the funds to hire them. Because of the lack of sufficient transport, several facilities have been unable to collect urgently needed supplies until weeks after they were ready for collection. Regrettably, to date no solution has been found to this urgent problem. GOU observers have been given the task of gathering information on the state of health facilities, including the cold storage facilities. Kimadia has informed UNOHCI that, under the second phase of implementation of resolution 986 (1995), spare parts will be ordered for the repair of refrigeration units in the warehouses and hospitals. Furthermore, 42 refrigerated trucks have been included in the new orders.

Equitability

47. United Nations observers pay particularly close attention to all matters relating to the fairness of registration procedures and their implementation by central and local authorities. Through the cooperation of the Government of Iraq, United Nations observers have been able to follow up any apparent anomalies in the registration list. Internal displacements of population are carefully monitored by WFP, GOU and MDOU to ensure that all continue to receive benefits under resolution 986 (1995). Although no alleged instances of ration denial have been substantiated, United Nations observers have requested clarification from the Ministry of Trade concerning several issues, including the actual cost of registration, which has been cited by some interviewees as prohibitive. In the three northern governorates, WFP has secured the cooperation of local food departments in removing some 22,840 cases of double registration. Families newly arrived from Kirkuk or returnees from the Islamic Republic of Iran have been registered as quickly as possible.

48. Ministry of Trade allocations to governorates have been verified by weekly checks on warehouse stock levels. It has been consistently reported by observers that no governorate appears to have received less of a single commodity. Interviews conducted by WFP and GOU confirm that beneficiaries are receiving identical food rations. Where there have been delays in distributions, some areas have been temporarily disadvantaged; this is attributed by United Nations observers to logistical difficulties.

49. With regard to medicines and medical supplies, the criteria for equitable distribution vary according to the type of commodity and facility involved. Following discussions with the Ministry of Health, it was agreed that the same criteria would be applied to free medical samples donated by suppliers. Whenever free goods are provided, along with supplies to the private sector, these are distributed only to public health facilities. Whenever health supplies received under resolution 986 (1995) are sold through private sector pharmacies, equitable distribution requires uniform and transparent pricing that is not excessive in comparison with fees levied in public pharmacies, valid medical prescription and guarantees that the use of private sector pharmacies does not unduly disadvantage those who cannot afford to purchase the drugs they require. United Nations observers have reported that although medicines other than those received under resolution 986 (1995) are available in the private sector, many patients cannot afford them. Supplies will be distributed to public and private pharmacies at a ratio of 10 to 1. Where stocks are insufficient to supply both, public health facilities will receive priority. The Ministry has explained the pricing structure of sales of supplies received under resolution 986 (1995), and United Nations observers report that prices are reasonable. As of 31 August 1997, Kimadia held buffer stocks worth $1,353,709. No single item is more than 10 per cent of the total receipt. Such stocks are released for distribution when new stocks arrive.

50. United Nations observers confirm that, to date, Kimadia and directorates of health allocations appear to follow the above criteria. Because of a range of technical problems and the rate at which applications have been approved by the Security Council Committee, medical commodities have not reached Iraq in a coordinated or complementary manner, and most have been destined for hospitals and specialized facilities rather than primary health care centres. Therefore there has been relatively little distribution at the level of primary health care facilities to observe. Recently, a number of drugs were received which were exclusively distributed to private pharmacies, public health clinics and health insurance clinics. The Ministry of Health and Kimadia have confirmed that allocations are established by a committee and are based on the size of the population served by each facility.

Adequacy

51. Resources authorized under resolution 986 (1995) are intended to prevent a further deterioration in the situation and meet Iraq's essential humanitarian needs. To assess the adequacy of such resources, the United Nations needs to undertake surveys within the framework of the resolution and the memorandum of understanding. In the food sector, the Government of Iraq has now given permission for a nutritional survey to be conducted by UNICEF. It has not yet allowed WFP to undertake a household survey to measure the adequacy of the

ration because of concerns about its scope. Moreover, the Government of Iraq has yet to release data collected from 6,375 households in central and southern Iraq during the Multiple Cluster Indicator Survey in August 1996. Survey data for 2,175 households in the three northern governorates has enabled the United Nations to identify more clearly areas most in need of humanitarian inputs. One of the specific aims of the country-wide Survey was to provide baseline data against which the adequacy of inputs under resolution 986 (1995) could be measured, and it is therefore important that the results of the Survey be released promptly.

52. The FAO/WFP nutrition survey (9 June-8 July 1997) confirmed in general terms previous assessments by UNICEF that, notwithstanding improved food supply, child malnutrition remains serious and widespread, particularly in children under five years of age. It should be borne in mind that the full ration basket under resolution 986 (1995) was only distributed throughout the country in August 1997. The ration is designed to provide 2,030 calories and 47 grams of plant protein per person per day. The ration slightly increases energy, protein and nutrient values compared to the former government ration. In this respect, it is vital that the ration continue to be distributed at the full scale and that those who are most dependent on regular supply are not disadvantaged by repeated disruptions in distribution. According to WFP, prices of some basic food commodities dropped significantly upon the first arrival of goods under resolution 986 (1995). For example, in the central and southern governorates, the price of wheat flour has stabilized at one half the pre-resolution 986 (1995) level. In the north, the market price of wheat flour dropped even more sharply. The prices of other goods in the food basket have also dropped, but not significantly, and increased unpredictability in distributions has led to local price fluctuations.

53. Despite the increased pace and range of arrivals of medical supplies, it is still too early to comment authoritatively on the extent to which these have met essential needs. Standard indicators for determining adequacy, such as morbidity, cannot be applied until sufficient quantities have been distributed throughout the country. In respect of some items, it is clear that supplies are adequate for several months (X-ray film) or for the foreseeable future (drapken reagent), but these are exceptions, and other pharmaceuticals were exhausted almost immediately. United Nations observers have been informed by Iraqi medical staff that, in their facilities, supplies distributed to date have not been sufficient in either range or quantity to meet essential needs. Uncertainties concerning the arrival time for supplies make it difficult for facilities and their medical staff to plan and implement either the rational or equitable use of resources.

54. The non-arrival to date in the central and southern governorates of supplies for the water and sanitation, agricultural, education and electricity sectors again makes it impossible to comment from observation on the adequacy of those inputs. However, in the water and sanitation sector, MDOU and UNICEF expect an immediate, albeit limited, improvement in water quality to result from the distribution of water treatment chemicals. A more detailed assessment of adequacy will entail measurement of water quality, quantity and the incidence of water-borne disease. Domestic food production remains a very important element in underpinning Iraq's food security. Some inputs under the first phase of

implementation of resolution 986 (1995), such as seeds, insecticides, fungicides, herbicides and irrigation pipes, should arrive in time for the winter planting season. Nevertheless, according to MDOU and the Ministry of Agriculture, agricultural equipment, such as tractors, combine harvesters and irrigation pumps to be purchased under the first phase, will meet at most 25 per cent of urgent needs.

VIII. OBSERVATIONS

55. In my previous reports, I have highlighted the complexity of implementing resolution 986 (1995), which has a humanitarian objective, but with political and commercial dimensions. In recognition of the continuing humanitarian crisis in Iraq, the Security Council accepted my recommendation to renew the Programme for a further period of 180 days and adopted resolution 1111 (1997) on 4 June 1997. While not all the supplies from the first phase of the Programme have been delivered, the availability of additional revenues from the sale of oil authorized under resolution 1111 (1997) will help address the continuing humanitarian needs in Iraq. The decision by the Government of Iraq to suspend the sale of oil, pending the approval of the new distribution plan, is expected to result in a significant shortfall of funds since the target of $1 billion worth of oil sales cannot be met within the first 90 days. In view of the adverse consequences for the humanitarian programme and the United Nations capacity to carry out its observation and implementation responsibilities, the Council may wish to consider an appropriate mechanism for the shortfall to be met. Should there be a further renewal of the Programme, the Government and all concerned parties should ensure that no similar delays will occur.

56. I continue to be concerned about the adverse impact of delays in the arrival of humanitarian goods on those whom the resolution was designed to assist. Uncertainties in the arrival of food have caused difficulties, particularly for those with few supplementary resources. The delay in the delivery of inputs in the agricultural sector may well have adverse effects on food security for the population. In the health sector, medical staff have been unable to plan the efficient and rational use of inputs. Regrettably, United Nations personnel in Iraq have been the subject of criticism as a result of the delays in the arrival of food and medicine, although they clearly are not responsible for the situation. I would therefore urge all parties involved in the implementation of the resolution to devote renewed effort to ensuring that the processing, approval and delivery of humanitarian goods is carried out expeditiously. In order to minimize the technical difficulties encountered in the implementation of the first distribution plan, the United Nations and the Government of Iraq have worked together to ensure that the second plan is properly structured. In particular, I welcome the computerization of the extensive list of humanitarian goods by the Department of Humanitarian Affairs, in close collaboration with the Government of Iraq. This is expected to facilitate the submission and processing of contracts for humanitarian goods to be approved by the Security Council Committee established by resolution 661 (1990).

57. The regular reports being submitted by the United Nations Humanitarian Coordinator, United Nations agencies, United Nations oil overseers and United

Nations independent inspection agents (Saybolt and Lloyd's Register) confirm the continuing cooperation of the Government of Iraq and local authorities in the implementation of the programme. It is essential that this collaboration continue and that the United Nations personnel are able to carry out their functions with the full support of all parties. I would like to take this opportunity to express my appreciation for the outstanding leadership demonstrated by the outgoing United Nations Humanitarian Coordinator, Mr. Staffan de Mistura. I would also wish to commend the large number of United Nations personnel in Iraq for their dedication and commitment in implementing the programme under difficult circumstances. In this context, it is important that the Government continue to facilitate their work and that it address urgently the question of their private accommodation. United Nations volunteers currently serving in Iraq are providing excellent, as well as cost-effective, support for the Programme. The deployment of additional United Nations volunteers, requested by the United Nations agencies, is to be encouraged and I expect that the Government will address this matter promptly and favourably.

58. In my report to the Council of 2 June 1997, I expressed the hope that the needs of vulnerable groups identified by United Nations agencies would be included in the second distribution plan. After extensive consultations, the Minister for Foreign Affairs informed me that, since no additional resources had been authorized under resolution 1111 (1997), the needs of vulnerable groups would be met outside the framework of the resolution. I am glad to report that the United Nations has been creative in preparing the plan for the three northern governorates and was able to increase the resources for some key sectors through reallocations within the total amount of funds available. In approving the new distribution plan, I have informed the Government that the United Nations accepts the Government's assurances as a commitment that the necessary additional resources will be available for vulnerable groups in central and southern Iraq. I have also informed the Government that the United Nations will continue to observe the situation of such groups in the context of my responsibilities under resolutions 986 (1995) and 1111 (1997) to determine and report on the adequacy of resources to meet the humanitarian needs of the Iraqi population. I look forward to the full cooperation of the Government of Iraq in this area and I shall keep the Council informed on further developments.

Annex I

Food commodity arrivals, distribution and stock balances as at 31 August 1997 at the governorate level and ration scales implemented

Commodity	Cumulative arrivals	Quantity distributed	Stock balance available	Ration scales: Government of Iraq	Ration scales: Resolution 986 (1995)	Ration scales implemented[a]: June	July	August	September[b]
	(Tons)			(Kilograms)					
Vegetable ghee	88 943	87 471	1 472	0.75	1.00	986	986	986	986
Infant formula	6 137	2 813	3 324	1.80	2.70	986	986	986	986
Pulses	107 540	71 741	35 799	-	1.00	986	986[c]	986	986
Rice	182 622	155 942	26 680	1.25	2.50	GOI	986[d]	986	986
Salt	10 407	10 032	375	-	0.15	986	986	986	986
Sugar	103 665	88 769	14 869	0.50	2.00	GOI	986	986	986
Tea	7 252	6 588	634	0.10	0.15	GOI	986	986	986
Wheat	1 099 241	1 047 171	52 069	7.50	9.00	986	986	986	986
Toilet soap	25 496	22 085	3 411	0.15	0.25	986	986	986	986
Detergent	28 505	23 766	4 739	0.25	0.35	GOI	986	986	986
Total	1 659 808	1 516 378	143 102						

[a] GOI = Government of Iraq.
986 = Resolution 986 (1995).

[b] Ration scales for September are projected based on quantities of commodities on hand and expected arrivals.

[c] Ration level of pulses for the month of July was 0.50 kg instead of 1.00 kg.

[d] Ration level of rice for the month of July was 2.00 kg instead of 2.50 kg.

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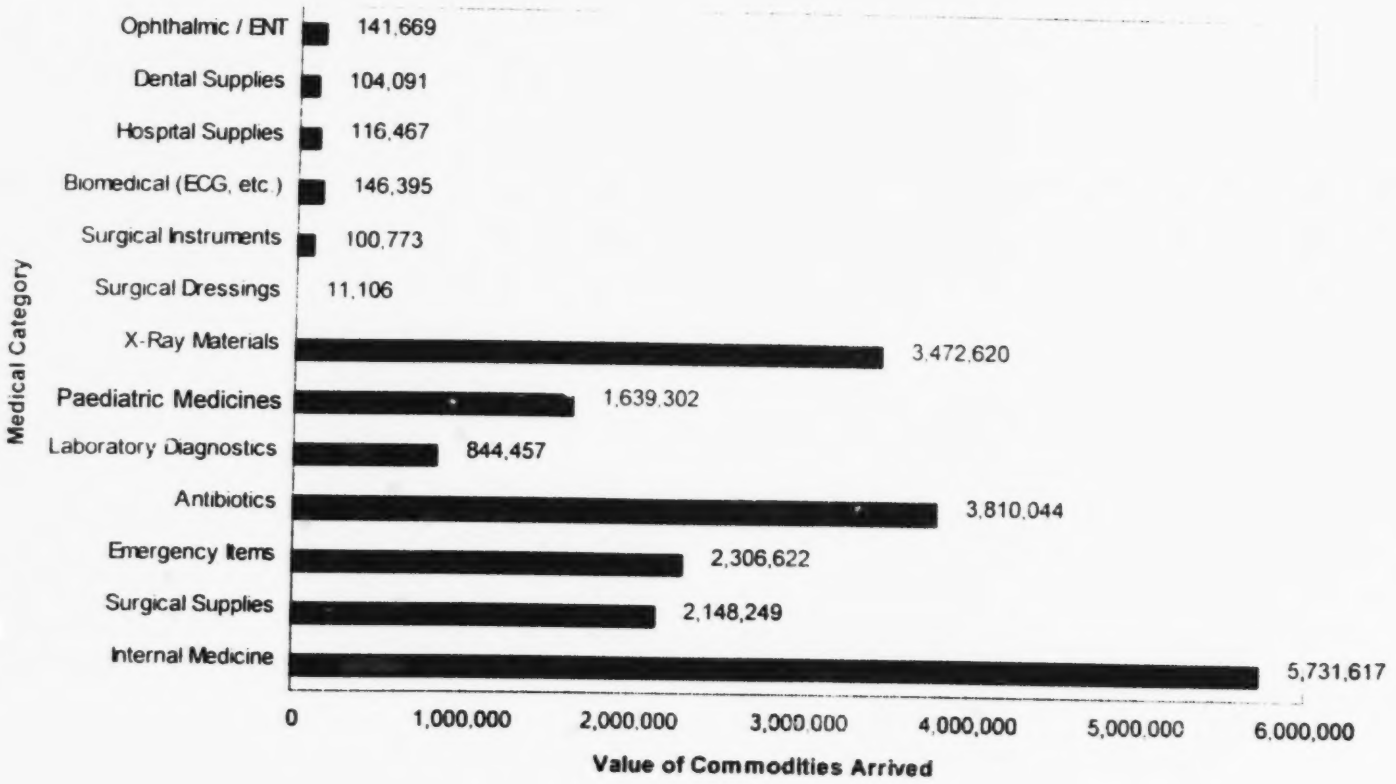
Annex II

Cumulative value of medical commodities received in Iraq by medical category

(United States dollars)



Annex III

Summary of United Nations applications received and approved for the three northern governorates as at 31 August 1997 (13 per cent account)

Sector	Amount allocated (Millions of United States dollars)	Applications received		Applications approved		Reimbursement for joint purchase (United States dollars)	Sector balance (United States dollars)
		No.	Value (United States dollars)	No.	Value (United States dollars)		
Agriculture	20.15	5	19 303 638	5	19 303 638	-	846 362
Education	15.15	26	12 471 956	26	12 471 956	-	2 678 044
Food	122.53	7	3 557 068	7	3 557 068	55 406 258	49 027 573
Energy	23.27	57	18 523 799	43	18 465 597	-	4 746 201
Medical	28.80	-	-	-	-	-	28 800 000
Water/sanitation	20.20	31	18 481 537	31	18 481 537	-	1 718 463
Health	10.10	129	9 998 807	129	9 998 807	-	101 193
Epidemiological survey	0.30	-	-	-	-	-	300 000
Demining	2.50	3	831 469	3	831 469	-	1 668 531
Resettlement	12.00	1	6 753 093	1	6 753 093	-	5 246 907
Nutrition	5.00	9	4 820 930	9	4 820 930	-	179 070
Totals	260.00	268	94 742 296	254	94 684 094	55 406 258	150 718 606

Annex IV

United Nations observations for food and medical commodities

Governorate	Food sector			Medical sector			Total observations		
	GOU	WFP	Total	GOU	WHO	Total	GOU	WFP	Total
Southern and Central									
Ninewa	852	194	1 046	72	21	93	924	215	1 139
Ta'mim	1 439	99	1 538	77	15	92	1 570	114	1 630
Baghdad	1 951	417	2 368	164	107	271	2 115	524	2 639
Salahuddin	897	108	1 005	52	26	78	949	134	1 083
Diyala	719	178	897	57	8	65	776	186	962
Anbar	783	147	930	68	21	89	851	168	1 019
Babil	712	269	981	55	16	71	767	285	1 052
Karbala	782	147	929	64	12	76	846	159	1 005
Najaf	562	156	718	81	12	93	643	168	811
Qadissiya	685	129	814	61	12	73	746	141	887
Muthanna	598	102	700	46	14	60	644	116	760
Basrah	1 129	147	1 276	59	32	91	1 188	179	1 367
Missan	1 328	63	1 391	44	16	60	1 372	79	1 451
Thi-Qar	766	104	870	47	10	57	813	114	927
Wasit	1 206	126	1 332	49	52	101	1 255	178	1 433
Subtotal	14 463	2 386	16 795	996	374	1 370	15 405	2 760	18 165
Northern									
Dohuk	25	50	75	0	21	21	25	71	96
Erbil	18	18	36	0	27	27	18	45	63
Suleimaniyah	7	48	55	0	15	15	7	63	70
Subtotal	50	116	166	0	63	63	50	179	229
Total	14 459	2 502	16 961	996	437	1 433	15 455	2 939	18 394

UNITED
NATIONS

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S/1997/685*
8 September 1997

ORIGINAL: ENGLISH

REPORT OF THE SECRETARY-GENERAL PURSUANT TO PARAGRAPH 3 OF RESOLUTION 1111 (1997)

I. INTRODUCTION

1. The present report is submitted to the Security Council pursuant to paragraph 3 of resolution 1111 (1997) of 4 June 1997, in which the Council requested the Secretary-General to report to it 90 days after the date of entry into force of paragraph 1 of the resolution 1111 (1997), by which the Council extended the provisions of resolution 986 (1995) for an additional 180 days. It provides information on the distribution of humanitarian supplies throughout Iraq, including the implementation of the United Nations Inter-Agency Humanitarian Programme in the three northern governorates of Dahuk, Erbil and Sulaymaniyah. Since no humanitarian goods under the second phase of implementation of resolution 986 (1995) have reached Iraq yet, I expect to report on the implementation of the second phase prior to the end of the current 180-day period.

2. On 9 June 1997, the memorandum of understanding was further extended for a period of six months through an exchange of letters between the United Nations and the Government of Iraq. On 14 June 1997, United Nations officials initiated a process of intensive consultations with local counterparts in the three northern governorates to prepare inputs for the new distribution plan. The proposed plan for the three governorates was submitted to the Government of Iraq on 29 June 1997 and the annexes on 5 July 1997. On 21 July 1997, the Government of Iraq submitted its country-wide distribution plan to me. On the basis of issues raised by the United Nations, the Government of Iraq submitted the revised plan to me on 4 August 1997, and I approved it on the same day. Earlier the Government had given me assurances that the unmet needs of vulnerable groups in central and southern Iraq would be addressed outside the framework of resolution 986 (1995).

3. Mr. Staffan de Mistura successfully completed his assignment as United Nations Humanitarian Coordinator for Iraq at the end of August 1997. I have appointed Mr. Denis Halliday as the new United Nations Humanitarian Coordinator for Iraq effective 1 September 1997. Senior Secretariat officials have

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* Reissued for technical reasons.

continued to brief the Security Council Committee established by resolution 661 (1990) of 6 August 1990 on a regular basis. Weekly reports are also being provided to the Committee by its secretariat. In addition, since last June, a comprehensive fortnightly report on activities in Iraq related to the implementation of resolution 986 (1995) is being made available to the Committee by the Department of Humanitarian Affairs.

II. SALE OF PETROLEUM AND PETROLEUM PRODUCTS

4. Sale of petroleum resumed on 8 August 1997 following the submission of the pricing mechanisms by the Iraqi State Oil Marketing Organization for liftings of Iraqi crude oil in August and their approval by the Security Council Committee. The oil overseers have continued to advise the Committee on pricing mechanisms, contract approval and modifications, management of the 90-day revenue objective of US$ 1.07 billion (including the pipeline fee) and other pertinent questions relating to imports and monitoring of each export of petroleum originating in Iraq in accordance with resolutions 986 (1995) and 1111 (1997).

5. As of 31 August 1997, the overseers had reviewed and approved a total of 24 contracts involving purchasers from 14 countries. The total quantity of oil approved for export under those contracts corresponds to approximately 107.9 million barrels for the 180 days. In the first 90 days, 24 liftings, totalling 28.7 million barrels, with an estimated value of $456.2 million, have been completed. The first lifting took place on 15 August 1997 at Ceyhan, Turkey. About 62 per cent of the liftings have been made at Ceyhan. Owing to the delayed resumption in the sales of petroleum, it appears that the total revenue generated for the first 90-day period will be about $500 million below the 90-day objective of $1.07 billion (including the pipeline fee), if current prices remain unchanged.

6. With the intention of achieving the 1 billion dollar revenue objective for the first 90 days over a relatively short period, a tight schedule for liftings has been adopted by the Iraqi State Oil Marketing Organization. The overseers and the independent inspection agents (Saybolt) have worked closely to ensure the monitoring of the relevant oil installations as well as the liftings. They have received the full cooperation of the Iraqi and Turkish authorities. Based on the assessment of the overseers and the independent inspection agents (Saybolt), Iraq remains capable of exporting sufficient quantities of petroleum to meet the revenue target of $1 billion every 90 days.

III. PURCHASE AND CONFIRMATION OF ARRIVAL OF HUMANITARIAN SUPPLIES

7. As of 31 August 1997, a total of 786 applications for exports of humanitarian supplies to Iraq under resolution 986 (1995) had been submitted to the Security Council Committee, 672 had been approved, 83 were on hold, 20 were blocked, and 11 were pending under the "no-objection" procedure or awaiting clarification. As mentioned in my last report on the implementation of resolution 986 (1995) (S/1997/419), the Security Council Committee established by resolution 661 (1990) has adopted a number of measures with the aim of

further facilitating a smoother process for the approval of contracts. These matters are covered in the report of the Committee of 27 August 1997 (S/1997/672).

8. The United Nations independent inspection agents (Lloyd's Register) continue to authenticate the arrival in Iraq of humanitarian goods at the entry points in Zakho, Trebil and Umm Qasr. In carrying out their functions, they receive the full cooperation of the Iraqi authorities. On 14 June 1997, the Government of Iraq submitted a request for the addition of a fourth point of entry at the border of Iraq and the Syrian Arab Republic for the import of goods under resolution 986 (1995). In response to that request, I authorized the dispatch of a technical mission to Iraq for the purpose of making an on-site survey of the proposed new entry point. Pursuant to paragraph 26 of the memorandum of understanding between the United Nations and the Government of Iraq on the implementation of resolution 986 (1995) (see S/1996/356) and based on the findings and recommendations of the technical mission, I approved, on 31 July 1997, the designation of Al-Walid at the border (facing Al-Tenf in the Syrian Arab Republic) as a new entry point. Preparations are currently under way for the deployment of 10 independent inspection agents to authenticate the arrival of humanitarian supplies at the new entry point.

IV. UNITED NATIONS IRAQ ACCOUNT

9. By its resolution 1111 (1997), the Security Council authorized the Government of Iraq to export petroleum and petroleum products for another period of 180 days, beginning 8 June 1997. However, oil sales did not commence until 8 August 1997. Between 11 and 31 August 1997, 31 letters of credit were confirmed by the Banque nationale de Paris pursuant to resolution 1111 (1997). The proceeds from these oil sales are expected to be approximately $574 million. Owing to the fact that there is a time lag of about a month between oil loading and the deposit of the related payments into the United Nations Iraq Account, funds from oil sales under the second phase of implementation of resolution 986 (1995) are not expected to be deposited in the Account before the middle of September 1997.

10. On 27 June 1997, the last deposits due from the first 180-day period were made to the Account. A total of 125 letters of credit were processed, bringing the total of proceeds to $2,149,806,395. As at 2 September 1997, the allocation of these funds and the corresponding expenditures were as follows:

(a) $1,066.9 million have been allotted for the purchase of humanitarian supplies by the Government of Iraq, as specified in paragraph 8 (a) of resolution 986 (1995). Letters of credit issued by the Banque nationale de Paris on behalf of the United Nations for the payment of those supplies for the whole of Iraq amounted to $1,052.5 million;

(b) $261.5 million have been allotted for the purchase of humanitarian goods to be distributed in the three northern governorates by the United Nations Inter-Agency Humanitarian Programme, as specified in paragraph 8 (b) of the resolution. Expenditures recorded for humanitarian goods approved by the Security Council Committee amounted to $131.6 million, of which bulk purchases

made by the Government of Iraq for the three northern governorates amounted to $55.4 million;

(c) $603.5 million have been transferred directly to the United Nations Compensation Fund, as specified in paragraph 8 (c) of the resolution. Of that amount, $144.0 million have been allotted for the payment of the first instalment of "A" and "C" claims and $8.1 million for the operating expenses of the Compensation Commission;

(d) $44.6 million have been allotted for the operational and administrative expenses of the United Nations associated with implementation of resolution 986 (1995), as specified in paragraph 8 (d) of the resolution. Expenditures for administrative costs for all United Nations entities involved in implementing the resolution amounted to $31.7 million;

(e) $15.1 million have been allotted to the United Nations Special Commission for its operating requirements, as specified in paragraph 8 (e) of the resolution. Expenditures for the Special Commission amounted to $11.1 million;

(f) $137.9 million have been set aside for the transportation costs of petroleum and petroleum products originating in Iraq exported via the Kirkuk-Yumurtalik pipeline through Turkey, in accordance with paragraph 8 (f) of the resolution and in line with procedures adopted by the Security Council Committee. Of this amount, $96.6 million have been disbursed and the balance of $41.3 million transferred to the United Nations Compensation Fund;

(g) $20.1 million have been transferred directly to the escrow account established pursuant to resolutions 706 (1991) of 15 August 1991 and 712 (1991) of 19 September 1991 for the repayments envisaged under paragraph 6 of resolution 778 (1992) of 2 October 1992, as specified in paragraph 8 (g) of resolution 986 (1995).

11. A total of 586 letters of credit for humanitarian goods have been issued pursuant to resolution 986 (1995). As at 31 August 1997, a total of $499,407,336 had been paid to suppliers under the terms of their letters of credit. At the same time, $597,996,848 was held as collateral to cover payments to suppliers whose letters of credit remained open.

12. Pursuant to paragraph 7 of resolution 986 (1995), the United Nations Iraq Account was audited by the United Nations Board of Auditors, both at Headquarters and in Baghdad in July 1997. The audit was initially scheduled for two weeks at Headquarters and two weeks in Baghdad, but was extended by another week at Headquarters. The Board of Auditors is scheduled to return to New York for two to three weeks in October 1997 to finalize its audit of the Account and to prepare the report on the financial statements covering the period from the establishment of the Account to 30 June 1997.

V. IMPLEMENTATION OF THE DISTRIBUTION PLAN

13. By the end of the first 180-day period, over 700,000 tons of food and related items had reached Iraq, accounting for some 29 per cent of the total allocation for these goods under the first distribution plan. As of 31 August, a cumulative total of 1,831,101 tons had reached Iraq, accounting for some 82 per cent of the total allocation, and 1,516,378 tons had been distributed to governorates. Applications for the 98 per cent of the amount allocated to this sector had been approved by 28 August 1997, and, according to the Ministry of Trade, the remainder is expected to have arrived by December. As of 31 August, available stock and deliveries due during the following month were expected to be sufficient to ensure a full distribution of most commodities in September. Annex I shows cumulative arrivals, distribution, current stock balance and ration scales used in the reporting period.

14. The workings of the food distribution system of the Government of Iraq were explained in detail in my last report to the Security Council prior to the end of the 180-day period (S/1997/419, paras. 17-19). Although there have been no major changes to the distribution system, in view of the comparatively large stock of infant formula built up through the arrival of the whole allocation under the first phase of implementation of resolution 986 (1995) within a space of 10 weeks, the Government of Iraq announced in mid-May that the parents of children born after May 1997 would be required to accept the infant formula, soap and detergent for their children rather than choose to receive adult rations. In August, United Nations observers reported that this change appears to have been increasingly enforced.

15. Owing to the delay in arrival of foodstuffs and related items, the Government of Iraq decided to supplement the food basket from its own stocks at the pre-resolution 986 (1995) scale in central and southern Iraq. As shown in annex I, full distribution under resolution 986 (1995) was achieved in August 1997.

16. As of 31 August 1997, medicines and medical supplies worth some 13.3 per cent of the approved contracts and 9.6 per cent of the total allocated under this sector had arrived in Iraq. As of 17 August, supplies worth some $17,369,615 had arrived in the country, and, as of 31 August, $14.9 million had been distributed to health facilities. Annex II gives the value of health supplies received, suitably categorized. The low volume of medical goods reaching Iraq, particularly at the early stages of the programme, was due to the fact that a large number of medical applications (65) have been on hold pending clarification of a variety of technical issues. As of 31 August, all but five holds had been lifted, bringing total approvals to $192,350,169 or 92 per cent of the total $210 million allocation. As the expected lead time is 8 to 10 weeks for medical supplies, it is hoped that 55 per cent of these commodities will reach Iraq within the next 90 days. These will include medical, paediatric, surgical and laboratory supplies.

17. So far, almost all of the medical supplies under resolution 986 (1995) have been imported through the Trebil entry point, with only one consignment worth $125,100 through Zakho. Goods are consigned to the Kimadia warehouses in Baghdad, and all medicines are subject to central quality assurance tests.

After clearance has been given, medicines are allocated to directorates of health warehouses in the governorates according to criteria established and interpreted by a central drug committee. For general health supplies, these criteria include such factors as governorate population, number of hospital beds, areas of specialization, out-patient attendance, number of operations and laboratory investigations. Some medicines will be restricted to specialized units (e.g. anti-cancer drugs), and medical and surgical items will be provided only to those hospitals that have the appropriate staff and facilities to utilize them effectively (e.g. cardiac centres). The Ministry of Health intends to retain 10 per cent of all general medical supplies as buffer stock at Kimadia warehouses in Baghdad to meet potential emergencies expected to be beyond the resources of any one governorate. However, supplies to the private sector are excluded. No individual governorate has established buffer stocks using supplies received under resolution 986 (1995). When governorate directorates of health receive allocations from Kimadia their own drug committee decides on the exact quantities to be allocated to public and private facilities within the governorate. A maximum of 35 per cent mark-up over the wholesale price is permitted by Kimadia, which is inclusive of all administrative, transport and storage costs. All pharmacies will be requested to store supplies received under resolution 986 (1995) separately from all other items, retain vouchers for at least a year and keep standardized records of receipt and issue.

18. At present, the public health care system comprises 113 hospitals, 898 health care centres and some 45 specialist facilities covering such disciplines as cardiovascular care, gynaecology, paediatrics, plastic surgery, limb prosthesis and mental health. Additional services are provided through public, health insurance and chronic illness clinics where patients pay for services and medicines at rates considerably lower than those levied by private medical practitioners. Also, throughout the 15 central and southern governorates, supplies received under resolution 986 (1995) will be sold at fixed prices through 2,243 private pharmacies. One industrial occupational health facility servicing 21 first aid stations has also been designated to receive supplies. The Ministry of Health has given assurances that it does not restrict treatment to company employees and their families. Central and governorate warehouses operate both manual records and a computerized record system provided by the World Health Organization (WHO) using "microdrug" software. Governorate directorates of health are responsible for the transportation of supplies from Kimadia to their own warehouses. However, hospitals are responsible both for the collection from governorate warehouses, and, in some cases for redistribution to health centres.

19. The status of implementation for the other sectors varies. In the water and sanitation sector, although the Security Council Committee has approved 16 applications worth $14,907,212, representing some 62 per cent of the total allocation for this sector, no supplies have arrived. Collection of the first supplies of chlorine gas for water purification is under way. The relevant Iraqi authorities have identified some 207 water projects and 41 associated installations which will receive supplies under resolution 986 (1995). In the agricultural sector, although the Committee has approved 42 applications worth $13,227,133, no supplies have arrived. This represents 55 per cent of the total $24 million allocation for this sector. Some of these supplies are expected to reach Iraq within the next three weeks. According to the Food and Agriculture

Organization of the United Nations (FAO), the proposed import of agricultural equipment and spare parts for machinery is to meet the minimum needs of small farmers throughout the country to prevent further deterioration of the sector. Equipment and supplies will be distributed through the existing network run by the Ministry of Agriculture and State Agricultural Supplies Company throughout all 15 of the central and southern governorates. FAO warehouses will be used to store aerial spraying equipment and agricultural chemicals. Under the first phase of implementation of resolution 986 (1995), $36 million was allocated in the electricity sector for essential repairs and maintenance of four thermal power stations and associated transmission/distribution lines. In this sector, out of 78 applications, the Committee has approved 49, worth over $20 million, representing some 56 per cent of the total allocation for the sector; however, no supplies have arrived. Some of these supplies are expected to reach Iraq from next month onwards. In the education sector, under the first phase, $12 million was allocated for essential repairs to school buildings and the provision of educational equipment and materials. The Government of Iraq has said that 2.25 million pupils in 2,250 schools in all 15 central and southern governorates would benefit from these inputs, and the Ministry of Education has now provided allocation plans for the educational sector. Although the Committee has approved two applications worth $2,999,000, representing some 25 per cent of the total allocation for this sector, no supplies have arrived. These supplies are expected to reach Iraq within the next five months, and therefore will not arrive in time for the start of the 1997/1998 school year.

Implementation of the distribution plan by the United Nations in the three northern governorates

20. Over the last two months, the pace of implementation has quickened, with deliveries of humanitarian supplies in the agriculture, education, food, nutrition, and water and sanitation sectors; in addition newly arrived United Nations agencies have completed their deployments. New programmes have been initiated with the arrival of bulk quantities of therapeutic milk for the United Nations Children's Fund (UNICEF), the distribution of pesticides by FAO, the arrival of school rehabilitation materials for the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the start of water and sanitation projects by the United Nations Centre for Human Settlements (Habitat) for internally displaced persons. This has demonstrated that the three northern governorates have received their share of resources under resolution 986 (1995) without hindrance by the Government of Iraq. Medical supplies have begun to arrive, albeit significantly later than originally anticipated. These have helped to allay the initial criticisms of the slow pace of implementation at all levels. Annex III shows the status of United Nations applications received and approved for the three northern governorates as at 31 August 1997.

21. The second distribution plan includes some sectoral adjustments in the northern governorates of Erbil, Sulaymaniyah and Dahuk. With respect to agriculture, an increase in allocation from about $20,200,000 to $26,000,000 will permit some increase in agricultural inputs, thereby lowering the cost of production and encouraging farmers to remain on the land. This in turn will contribute to the continued return and increased self-sufficiency of refugees and displaced persons, many of whom are experiencing additional hardships as a result of political upheavals and occasional fighting. Funds allocated to

nutrition have also been increased from $5,000,000 to $9,900,000, increasing the proportion of currently malnourished women and children, particularly among the displaced, who can benefit from supplementary feeding.

22. There have been slight delays in the arrival of supplies authorized under resolution 986 (1995) as a result of continuing hostilities; according to the Government of Iraq, the reduction in the pulse ration by half a kilo in July 1997 was directly due to shipment delays as a result of Turkish military action in northern Iraq. Distribution of the July food basket to some 53,000 persons in areas around the towns of Sarsink, Begova and Amadiyah was delayed for one week owing to hostilities in the region. UNICEF was similarly unable to distribute therapeutic milk to facilities in the area. While World Food Programme (WFP) observers were not able to reach these areas in July and August, they have confirmed that delivery of food by local transporters continued. However, United Nations staff have continued to seek advice from the United Nations Guard Contingent in Iraq before visiting the areas involved.

23. The United Nations Guard Contingent in Iraq has continued to protect United Nations personnel, assets and operations linked to the humanitarian programme in the three northern governorates. Its main activities include security patrolling, planning and preparedness, static protection of United Nations facilities, escorting relief convoys and operating a communications and a movement tracking facility. It also provides an emergency medical service. Contingent guards are provided by Member States, with equipment and operating costs funded entirely from voluntary contributions. In July 1997, a review mission led by the Department of Humanitarian Affairs of the Secretariat, with the participation of the Office of the United Nations Security Coordinator, confirmed a continued need for the United Nations Guard Contingent in Iraq at a reduced level of about 130 guards and recommended new vehicles and communications equipment, at an estimated annual cost of $8 million.

24. Under the first phase of implementation of resolution 986 (1995), the three northern governorates were allocated $122 million for food and related items. During June, July and August, some 130,578 tons of food, soap and detergent arrived at WFP-controlled warehouses in Kirkuk and Mawşil, compared with a total requirement of 152,805 tons. This represented goods worth some $46,391,225, 41.4 per cent of the total allocation. It is expected that most of the remainder will be received within the next 90 days. A total of 125,366 tons have been distributed to over 10,300 ration agents throughout the three northern governorates. Because of delays in the arrival of commodities authorized under resolution 986 (1995), it was only in August that the first full ration under the resolution was distributed to the population. Unlike in central and southern Iraq, where the Ministry of Trade distributed its own stocks at pre-resolution scales, such stocks were not available to offset resolution 986 (1995) shortfalls in the three northern governorates. During the period, the amount of food dispatched from WFP warehouses under resolution 986 (1995) rose from 7,000 to between 8,000 and 10,000 tons of food per week. In addition, WFP continued its existing supplementary feeding programme for vulnerable groups and assisted 328,000 people.

25. The outlines of the United Nations food allocation and distribution system in the three northern governorates has been explained in my last report,

submitted to the Council prior to the end of the 180-day period (S/1997/419, paras. 23 and 24). There has been no change to this system, and every effort is being made to ensure efficient distribution. However, in August, WFP staff in Mawşil and Kirkuk had to standardize all bags of rice and pulses for onward distribution because some bags had suffered weight loss due to evaporation. Rebagging reduced the daily transhipment rate to 100 tons from the required 150 tons, and the distribution of rice and perhaps other commodities may spill over into September. Similarly, insufficient flour milling capacity in Kirkuk may lead to distribution delays in Sulaymaniyah.

26. Although responsibility for the registration of beneficiaries rests with local authorities, because of inadequate local infrastructure, WFP has continued to devote considerable effort to ensuring that all eligible persons are registered to receive food rations. Each month, WFP compares lists provided by local authorities with its own computerized database. Although some multiple registrations appear to have been deliberate attempts to obtain extra rations, most are attributed to families moving to other governorates and failing to cancel previous registrations. Even so, in Erbil governorate, WFP monthly registration cross-checks continue to reveal a higher than acceptable incidence of multiple registrations. WFP continues to urge more effective action by governorate authorities to enforce correct registration procedures. Nevertheless, the WFP-managed distribution system continues to function well and 100 per cent of available commodities were distributed in June and July. A total of 50,008 household spot checks by WFP in the same months revealed no incidences of beneficiaries not receiving rations.

27. Under the first phase of implementation of resolution 986 (1995), the three northern governorates have been allocated $28.8 million in medicines and medical supplies. As of 31 August, $0.9 million, representing 3 per cent of the total allocation, had been received by WHO and $0.6 million distributed to 29 hospitals and 341 public health care centres. The slow arrival of medical supplies authorized under resolution 986 (1995) has been a major concern throughout the three northern governorates. Donations from other sources have dried up, thus aggravating an already critical situation. With the limited resources available to them, the local authorities have sought to obtain essential items from other sources, and appeals have been made to possible donors. There has been timely collection of supplies by WHO from the Kimadia central warehouses and onward transportation to the medical warehouses in each of the three northern governorates. These facilities have been extensively renovated to provide suitable storage. All 29 hospitals and 400 primary health care centres have been designated to receive supplies authorized under resolution 986 (1995). Allocation criteria are comparable to those used by the Ministry of Health in central and southern Iraq. To date, the distribution has proceeded smoothly, and some facilities are already reporting an increase in patient attendance.

28. In the health sector, UNICEF has submitted five contracts for a total value of $3,608,573, and all contracts have been approved. As of 31 August, vaccines worth $134,000 had been received by UNICEF, representing 25 per cent of the allocated vaccines. Some of these will be used to immunize 510,000 children under the age of five against life-threatening diseases, commencing in early September 1997. The epidemiological surveillance system is being reactivated by

WHO, which will use $300,000 allocated under the first phase of implementation of resolution 986 (1995) for support activities. It is therefore expected that there will be an improvement in the quality of health information collection which will also contribute effectively to disease control. Under the first phase, $10.4 million was allocated to medical repairs. WHO has placed orders worth $6.4 million for spare parts used in rehabilitating equipment at health facilities in all three northern governorates, and some supplies have begun to arrive.

29. For the water and sanitation sector, $20.2 million was allocated under the first phase. UNICEF has submitted 31 contracts for a total value of $18,481,537, and all have been approved. The first UNICEF delivery of 340 tons of water and sanitation supplies arrived in August and will be used to construct 150 pump houses and 17 sewerage channels in urban and semi-urban areas. In rural areas, they will be utilized to make tap stands and reservoirs.

30. Under the first phase, in the nutrition sector, $1.3 million was allocated to UNICEF to implement a therapeutic feeding programme for the rehabilitation of malnourished children and to decrease the incidence of iodine deficiency disease and vitamin A disorders. The whole order of 100 tons of therapeutic milk powder has been received, and three months' supply (21.3 tons) has been distributed to 13 nutritional rehabilitation centres and 87 primary health care centres to benefit some 25,000 nutritionally vulnerable children. UNICEF has undertaken appropriate local staff training. United Nations observers have confirmed that these supplies are being stored and distributed appropriately and have sought improvements where necessary in the collection of nutrition survey data. In August, the Security Council Committee approved WFP applications totalling $3.6 million for a supplementary feeding programme targeted at malnourished children, pregnant and nursing mothers, internally displaced persons, returnees and refugees, as well as hospitals and social welfare institutions.

31. In the agriculture sector, $20.15 million was allocated under the first phase. As of 31 August, the Security Council Committee had approved agricultural inputs and supplies for a total value of $19,303,638, representing 95.7 per cent of the total. In mid-June 1997, inputs worth $3,050,115 arrived out of the first priority list, worth $7,480,390. Out of this, owing to seasonal cropping requirements, only pesticides, worth $785,253, were distributed through a summer plant protection campaign. Training was also provided for 162 agricultural plant protection technicians, who assisted some 19,000 beneficiaries. FAO expects that goods worth $11,692,688 from the second priority list, approved in May, will be needed for the forthcoming winter season. Most of the distribution is expected to commence in September in time for the inputs to be used during the optimum cropping season. Purchase orders for the second priority list of spare parts for machinery, fertilizers, seed drills, animal vaccines and fungicides, have been issued by FAO. Criteria used in distributing inputs include full participation by local authorities and communities, joint planning of pest and disease control campaigns and targeting and selection of beneficiaries based on proven need. Inputs such as spare parts, machinery and pesticides for non-endemic diseases will be sold to support further agricultural investment.

32. Under the first phase, $13.17 million was originally allocated for electricity in the energy sector. However, the overall electricity allocation was increased by transferring $10.1 million that had been set aside to purchase kerosene heating fuel for the winter of 1996/1997. The Security Council Committee has authorized 42 applications for the whole allocation through the United Nations Development Programme and the Department for Development Support and Management Services of the Secretariat. This will permit essential repairs and maintenance to be undertaken at the hydro-power stations of Derbandikhan and Dokan and the related transmission and distribution network. The first equipment is due to arrive in October 1997. However, it should be noted that some components will require a significant manufacturing lead-time, and most major items are not expected to arrive until mid-1998. Additional electrical equipment and spare parts procurement, financed from the $10.1 million allocation, has now been approved. Some of the funds will also be used for assessing the condition of the two dams.

33. In the education sector, $15.15 million was allocated under the first phase. A total of $10 million has been allocated to UNICEF and $5.15 million to UNESCO. UNICEF has submitted 13 contracts for a total value of $9,348,131, and all contracts have been approved. As of 31 August 1997, UNICEF had received 125 tons of educational supplies, which will be used by UNESCO to manufacture 25,000 school desks. UNICEF is expecting the arrival in early September of bulk classroom supplies. These will be distributed to benefit children in all three northern governorates in time for the new school year. In addition, it is planned that 4.5 million textbooks and school and office records will be printed and 280 primary school facilities will have their water and sanitation facilities rehabilitated. Out of the $5.15 million allocation to UNESCO, 13 contracts were submitted to the Security Council Committee amounting to $3,123,825, all of which have been approved. The balance will be allocated to international procurement of school supplies and local procurement of construction materials. UNESCO has completed the rehabilitation of its warehouses and workshops. Supplies for the construction of schools and production of school desks have started arriving, and a chalk and blackboard production unit is now functioning.

34. The issue of internally displaced persons remains of concern to both the United Nations and local authorities. There are more than 500,000 internally displaced persons in the three northern governorates. Half were displaced prior to 1991, 150,000 between 1991 and 1995, 100,000 in 1996 and approximately 3,000 more in 1997. In 1994, 1995 and 1996, there were 7,200 returnees from the Islamic Republic of Iran; in the first seven months of 1997, 2,704 individuals returned. Under the first phase, $12 million was allocated to the United Nations Centre for Human Settlements (Habitat) for this sector. As of 31 August 1997, the Security Council Committee had approved applications totalling $3.6 million and implementation had started. Of 155 projects planned, 70 projects totalling $3,486,880 have been designed and formulated, and a timetable for execution in each governorate has been prepared. In August, implementation of the first Habitat sewerage project under resolution 986 (1995) began in Erbil and Dahuk. Three school projects in Dahuk and one road project in Erbil also commenced. Thirty-six projects are scheduled for completion by the end of 1997. In addition to the specific allocation for resettlement,

internally displaced persons will benefit from the implementation of many projects in other sectors.

35. Under the first phase, $2.5 million was allocated for mine-related activities. The presence of mines in the three northern governorates, particularly in the governorate of Sulaymaniyah, was identified in my report of 2 June 1997 (S/1997/419) as a serious concern. After the importation of demining equipment, arrangements can proceed for the training and employment of additional local deminers. This programme will increase the rate at which areas can be rendered safe for agriculture and resettlement. UNICEF is also proceeding with an expanded mine-awareness programme for over 100,000 women and children.

VI. OBSERVATION MECHANISM AND ACTIVITIES

36. The workings of the three tiers of observation were explained in my previous report to the Security Council (S/1997/419), mainly with regard to the food sector. Annex IV shows observation activity by United Nations observers during the reporting period. In the health sector, United Nations international observers routinely visited health facilities in all governorates, including the three northern governorates. Stock records at all levels have been checked and supplies verified. They also provided advice on aspects of supply management and gathered information on the status of equipment, transport, storage and water and electricity supplies. In addition, coverage was extended to private sector facilities. In accounting for supplies, discrepancies, if any, found during the visits, are clarified with staff, while general issues are raised with the Ministry of Health for action. Under the first phase of implementation of resolution 986 (1995), over 2,000 different medical items are to be imported. So far, MDOU has selected some 50 of the most expensive items for regular tracking through to the end-user. While WHO teams have until now covered all items, with the rapid increase in arrival of a greater number and variety of items, a random selection will have to be made to cover supplies to all levels of the health service.

37. In the sectors of nutrition, water and sanitation, education, electricity and agriculture, United Nations agencies are assessing the suitability of storage and distribution systems prior to the arrival of inputs under resolution 986 (1995). In cooperation with them, MDOU has designed preliminary observation mechanisms, including criteria and frequency of observation, as well as the tracking of non-consumable items, so that United Nations observers are able to report whether equipment and materials are installed, constructed or otherwise used according to prepared specifications. Brief outlines of these mechanisms have been made available to the Security Council Committee. In the agriculture sector, FAO has undertaken a detailed warehouse assessment programme to check the arrangements for storing and distributing supplies received under resolution 986 (1995). The 10 international observers from FAO will oversee the use of helicopters in the winter crop-spraying programme. In the water and sanitation sector, the nine international observers from UNICEF will assist in tracking 2,750 tons of chlorine gas to ensure that supplies are used in the designated plants and the gas cylinders returned on schedule to Turkey for refilling. In the electricity sector, United Nations observers have been given access to power

supply data and some power plants, and prepared guidelines for reporting whether equipment ordered and received had been installed as authorized. The five international observers from UNESCO are completing preparations for observing the manufacture of educational materials, in cooperation with UNICEF.

38. In general, United Nations observers report that they continue to be granted ready access to facilities and records on request. They remain alert to any undue influence by escorts on the observation process, particularly with regard to beneficiary interviews. So far, only a few instances, out of thousands of observation visits, have been reported to the Humanitarian Coordinator to bring to the attention of the relevant government authorities. Similarly, there have only been a few instances in which government authorities have complained about the pertinence of some questions by observers. These have been resolved to the satisfaction of the United Nations and the Government of Iraq. Despite occasional reluctance by escorts to visit a particular area, there has been no recorded instance where GOU observers have been denied access to any observation point. GOU observers reported a marked upsurge in hostile comment towards them following announcement by the Ministry of Trade of ration reductions in May/June. Although the level of resentment fluctuates, popular disappointment with the perceived slow pace of implementation of resolution 986 (1995), and, in particular, erratic food distribution, delays in the arrival of medicines and severe power cuts, continues to be voiced against the United Nations, and a growing number of beneficiaries decline to be interviewed. On six occasions, GOU observers withdrew or the number of observation visits were reduced in order to minimize potential confrontation.

VII. FINDINGS ON EFFICIENCY, EQUITABILITY AND ADEQUACY

Efficiency

39. In the food sector, United Nations observers have reported that once food arrives at any of the three entry points, dispatch and distribution is efficient. In the period covered by the present report, handling losses at Umm Qasr and warehouses have been within acceptable limits. However, ration agents complain that because of poor quality sacks, losses from pulses and rice are in excess of the 2 per cent transit allowance granted by the Ministry of Trade, forcing them to make good the shortfall themselves. At warehouses and at ration agents, commodities are normally stored in clean, separate conditions. However, flour production at mills has been disrupted by insufficient grain stocks, lack of spare parts, poor maintenance and cuts in power supply. As a result of the production difficulties experienced by mills, flour distribution was delayed in two governorates for a week in July. Equipment for food handling, valued at $30 million, was included in the first distribution plan. As of 31 August 1997, applications worth $6,735,619 had been approved for spare parts and equipment for milling, but many were not approved until recently, and it is doubtful whether they will be sufficient to redress the problems faced by the majority of mills.

40. Effective tracking of grain and flour production has been complicated by the delayed arrival of wheat grain, which has led the Ministry of Trade to shift stocks between silos in order to maintain production. This is compounded by the

rapid processing rate, poor record-keeping at some mills and, sometimes, lack of timely information from the Ministry of Trade. Both WFP and GOU have brought the difficulty in accessing accurate data to the Ministry's attention to ensure that mill owners are reminded of their obligation to maintain adequate records. Mills that have persistently failed to meet standards have received sustained scrutiny from United Nations observers.

41. With regard to the quality of food commodities, of 879,026 tons of food that have arrived in Iraq only negligible quantities were found to be unacceptable and were, therefore, not distributed. Some quality problems were only identified after distribution had begun. In April 1997, 294 tons of infant formula were found by the Ministry of Trade to be unfit for human consumption, and these were recalled and replaced. However, during the reporting period, parents frequently complained that they had received infant formula inappropriate to the age of their child, forcing them to sell their allocation in order to purchase the correct article at higher prices on the open market. Ration agents and beneficiaries have sporadically complained about leaking tins and malodorous vegetable ghee, and persistently complained about poor quality pulses. However, United Nations observers found that complaints about types of tea and wheat only reflected consumer preference, not poor quality. Where the Ministry of Trade was able to blend these products no complaints were received.

42. Few complaints were noted against ration agents in the centre and south. WFP spot checks of 6,092 beneficiaries in June 1997 found that fewer than 1 per cent expressed any dissatisfaction with their agents. After receiving their allocations, almost all agents distributed rations within the specified 48 hours. Where necessary, Ministry of Trade escorts or governorate officials accompanying United Nations observers instructed ration agents to comply with proper regulations. In the three northern governorates, a larger number of anomalies, such as short measures, faulty scales and overcharging, were reported. Since WFP manages the warehouses and distribution in the three northern governorates, it has been able to observe ration agents more closely, visiting almost all agents in Erbil and Dahuk twice, and in Sulaymaniyah three times. Well-publicized removal of licences from 76 agents in Sulaymaniyah and 12 agents in Erbil has led to a drop in reported incidents of unacceptable practices. Also, following United Nations scrutiny of secondary transporters in Sulaymaniyah, only 1 per cent of ration agents complained that they had been overcharged in August compared with 5 to 10 per cent in May.

43. The erratic delivery of supplies led to inefficiencies in food distribution, affecting both ration agents and beneficiaries alike in May, June and July 1997. The Ministry of Trade released some of its own stocks to cover some but not all shortfalls. Ration agents had to make additional visits to governorate warehouses to collect their full allocations, increasing transport costs, and, of greater significance, the delay made it very difficult for beneficiaries to plan their diet. In some areas, the gap between distributions was as much as six weeks. As dependability of supply is very important to those with few supplementary resources, delays impact adversely on the poorest households.

44. In regard to medical supplies, to date, of $20.6 million delivered, no item has failed to meet specifications and only one is under re-examination. The

average time taken by the Quality Control Laboratory to carry out tests on a particular batch of medicines has been 14 days. Where additional or special tests are required, this period may be extended up to 21 days, which is considered acceptable. Medicine and medical supplies worth $14.9 million were distributed to the governorates during the period, and, in general, were received by end-user facilities within 21 to 28 days of their release.

45. Records are maintained at all levels of the distribution system, which enables the full range of medicines and medical supplies to be traced through to the end-user. Although parallel computerized and manual records are maintained at central and governorate warehouses, in the hospitals and health care centres records are only kept manually, usually in ledger form. Normally, supplies received under resolution 986 (1995) are stored separately from other supplies and recorded in separate ledgers. Record-keeping standards and the availability of stationery for this vary between facilities. In instances where United Nations observers have requested improvements in record-keeping to enable supplies received under resolution 986 (1995) to be clearly identified, the facilities concerned have generally complied promptly. In a few instances, supplies have been distributed to facilities which cannot use them effectively. This is partly because erratic supply has prevented complementary equipment and materials from arriving together and partly due to inadequate information about the functional status of equipment or utilization rates for given materials. Conversely, faced with continuing shortages of basic drugs, doctors have felt compelled to use recent arrivals of advanced antibiotics intended for the treatment of chronic cases. The United Nations is focusing attention on all these issues and is urging that supplies be allocated only when they can be stored and utilized appropriately.

46. The lack of transportation has emerged as an unexpected impediment to the efficiency of distribution, as has the inadequate continuity of the cold chain for supplies requiring temperature control. Hospitals and health care centres not only lack functioning vehicles but also the funds to hire them. Because of the lack of sufficient transport, several facilities have been unable to collect urgently needed supplies until weeks after they were ready for collection. Regrettably, to date no solution has been found to this urgent problem. GOU observers have been given the task of gathering information on the state of health facilities, including the cold storage facilities. Kimadia has informed UNOHCI that, under the second phase of implementation of resolution 986 (1995), spare parts will be ordered for the repair of refrigeration units in the warehouses and hospitals. Furthermore, 42 refrigerated trucks have been included in the new orders.

Equitability

47. United Nations observers pay particularly close attention to all matters relating to the fairness of registration procedures and their implementation by central and local authorities. Through the cooperation of the Government of Iraq, United Nations observers have been able to follow up any apparent anomalies in the registration list. Internal displacements of population are carefully monitored by WFP, GOU and MDOU to ensure that all continue to receive benefits under resolution 986 (1995). Although no alleged instances of ration denial have been substantiated, United Nations observers have requested

clarification from the Ministry of Trade concerning several issues, including the actual cost of registration, which has been cited by some interviewees as prohibitive. In the three northern governorates, WFP has secured the cooperation of local food departments in removing some 22,840 cases of double registration. Families newly arrived from Kirkuk or returnees from the Islamic Republic of Iran have been registered as quickly as possible.

48. Ministry of Trade allocations to governorates have been verified by weekly checks on warehouse stock levels. It has been consistently reported by observers that no governorate appears to have received less of a single commodity. Interviews conducted by WFP and GOU confirm that beneficiaries are receiving identical food rations. Where there have been delays in distributions, some areas have been temporarily disadvantaged; this is attributed by United Nations observers to logistical difficulties.

49. With regard to medicines and medical supplies, the criteria for equitable distribution vary according to the type of commodity and facility involved. Following discussions with the Ministry of Health, it was agreed that the same criteria would be applied to free medical samples donated by suppliers. Whenever free goods are provided, along with supplies to the private sector, these are distributed only to public health facilities. Whenever health supplies received under resolution 986 (1995) are sold through private sector pharmacies, equitable distribution requires uniform and transparent pricing that is not excessive in comparison with fees levied in public pharmacies, valid medical prescription and guarantees that the use of private sector pharmacies does not unduly disadvantage those who cannot afford to purchase the drugs they require. United Nations observers have reported that although medicines other than those received under resolution 986 (1995) are available in the private sector, many patients cannot afford them. Supplies will be distributed to public and private pharmacies at a ratio of 10 to 1. Where stocks are insufficient to supply both, public health facilities will receive priority. The Ministry has explained the pricing structure of sales of supplies received under resolution 986 (1995), and United Nations observers report that prices are reasonable. As of 31 August 1997, Kimadia held buffer stocks worth $1,353,709. No single item is more than 10 per cent of the total receipt. Such stocks are released for distribution when new stocks arrive.

50. United Nations observers confirm that, to date, Kimadia and directorates of health allocations appear to follow the above criteria. Because of a range of technical problems and the rate at which applications have been approved by the Security Council Committee, medical commodities have not reached Iraq in a coordinated or complementary manner, and most have been destined for hospitals and specialized facilities rather than primary health care centres. Therefore there has been relatively little distribution at the level of primary health care facilities to observe. Recently, a number of drugs were received which were exclusively distributed to private pharmacies, public health clinics and health insurance clinics. The Ministry of Health and Kimadia have confirmed that allocations are established by a committee and are based on the size of the population served by each facility.

Adequacy

51. Resources authorized under resolution 986 (1995) are intended to prevent a further deterioration in the situation and meet Iraq's essential humanitarian needs. To assess the adequacy of such resources, the United Nations needs to undertake surveys within the framework of the resolution and the memorandum of understanding. In the food sector, the Government of Iraq has now given permission for a nutritional survey to be conducted by UNICEF. It has not yet allowed WFP to undertake a household survey to measure the adequacy of the ration because of concerns about its scope. Moreover, the Government of Iraq has yet to release data collected from 6,375 households in central and southern Iraq during the Multiple Cluster Indicator Survey in August 1996. Survey data for 2,175 households in the three northern governorates has enabled the United Nations to identify more clearly areas most in need of humanitarian inputs. One of the specific aims of the country-wide Survey was to provide baseline data against which the adequacy of inputs under resolution 986 (1995) could be measured, and it is therefore important that the results of the Survey be released promptly.

52. The FAO/WFP nutrition survey (9 June-8 July 1997) confirmed in general terms previous assessments by UNICEF that, notwithstanding improved food supply, child malnutrition remains serious and widespread, particularly in children under five years of age. It should be borne in mind that the full ration basket under resolution 986 (1995) was only distributed throughout the country in August 1997. The ration is designed to provide 2,030 calories and 47 grams of plant protein per person per day. The ration slightly increases energy, protein and nutrient values compared to the former government ration. In this respect, it is vital that the ration continue to be distributed at the full scale and that those who are most dependent on regular supply are not disadvantaged by repeated disruptions in distribution. According to WFP, prices of some basic food commodities dropped significantly upon the first arrival of goods under resolution 986 (1995). For example, in the central and southern governorates, the price of wheat flour has stabilized at one half the pre-resolution 986 (1995) level. In the north, the market price of wheat flour dropped even more sharply. The prices of other goods in the food basket have also dropped, but not significantly, and increased unpredictability in distributions has led to local price fluctuations.

53. Despite the increased pace and range of arrivals of medical supplies, it is still too early to comment authoritatively on the extent to which these have met essential needs. Standard indicators for determining adequacy, such as morbidity, cannot be applied until sufficient quantities have been distributed throughout the country. In respect of some items, it is clear that supplies are adequate for several months (X-ray film) or for the foreseeable future (drapken reagent), but these are exceptions, and other pharmaceuticals were exhausted almost immediately. United Nations observers have been informed by Iraqi medical staff that, in their facilities, supplies distributed to date have not been sufficient in either range or quantity to meet essential needs. Uncertainties concerning the arrival time for supplies make it difficult for facilities and their medical staff to plan and implement either the rational or equitable use of resources.

54. The non-arrival to date in the central and southern governorates of supplies for the water and sanitation, agricultural, education and electricity sectors again makes it impossible to comment from observation on the adequacy of those inputs. However, in the water and sanitation sector, MDOU and UNICEF expect an immediate, albeit limited, improvement in water quality to result from the distribution of water treatment chemicals. A more detailed assessment of adequacy will entail measurement of water quality, quantity and the incidence of water-borne disease. Domestic food production remains a very important element in underpinning Iraq's food security. Some inputs under the first phase of implementation of resolution 986 (1995), such as seeds, insecticides, fungicides, herbicides and irrigation pipes, should arrive in time for the winter planting season. Nevertheless, according to MDOU and the Ministry of Agriculture, agricultural equipment, such as tractors, combine harvesters and irrigation pumps to be purchased under the first phase, will meet at most 25 per cent of urgent needs.

VIII. OBSERVATIONS

55. In my previous reports, I have highlighted the complexity of implementing resolution 986 (1995), which has a humanitarian objective, but with political and commercial dimensions. In recognition of the continuing humanitarian crisis in Iraq, the Security Council accepted my recommendation to renew the Programme for a further period of 180 days and adopted resolution 1111 (1997) on 4 June 1997. While not all the supplies from the first phase of the Programme have been delivered, the availability of additional revenues from the sale of oil authorized under resolution 1111 (1997) will help address the continuing humanitarian needs in Iraq. The decision by the Government of Iraq to suspend the sale of oil, pending the approval of the new distribution plan, is expected to result in a significant shortfall of funds since the target of $1 billion worth of oil sales cannot be met within the first 90 days. In view of the adverse consequences for the humanitarian programme and the United Nations capacity to carry out its observation and implementation responsibilities, the Council may wish to consider an appropriate mechanism for the shortfall to be met. Should there be a further renewal of the Programme, the Government and all concerned parties should ensure that no similar delays will occur.

56. I continue to be concerned about the adverse impact of delays in the arrival of humanitarian goods on those whom the resolution was designed to assist. Uncertainties in the arrival of food have caused difficulties, particularly for those with few supplementary resources. The delay in the delivery of inputs in the agricultural sector may well have adverse effects on food security for the population. In the health sector, medical staff have been unable to plan the efficient and rational use of inputs. Regrettably, United Nations personnel in Iraq have been the subject of criticism as a result of the delays in the arrival of food and medicine, although they clearly are not responsible for the situation. I would therefore urge all parties involved in the implementation of the resolution to devote renewed effort to ensuring that the processing, approval and delivery of humanitarian goods is carried out expeditiously. In order to minimize the technical difficulties encountered in the implementation of the first distribution plan, the United Nations and the Government of Iraq have worked together to ensure that the second plan is

properly structured. In particular, I welcome the computerization of the extensive list of humanitarian goods by the Department of Humanitarian Affairs, in close collaboration with the Government of Iraq. This is expected to facilitate the submission and processing of contracts for humanitarian goods to be approved by the Security Council Committee established by resolution 661 (1990).

57. The regular reports being submitted by the United Nations Humanitarian Coordinator, United Nations agencies, United Nations oil overseers and United Nations independent inspection agents (Saybolt and Lloyd's Register) confirm the continuing cooperation of the Government of Iraq and local authorities in the implementation of the programme. It is essential that this collaboration continue and that the United Nations personnel are able to carry out their functions with the full support of all parties. I would like to take this opportunity to express my appreciation for the outstanding leadership demonstrated by the outgoing United Nations Humanitarian Coordinator, Mr. Staffan de Mistura. I would also wish to commend the large number of United Nations personnel in Iraq for their dedication and commitment in implementing the programme under difficult circumstances. In this context, it is important that the Government continue to facilitate their work and that it address urgently the question of their private accommodation. United Nations volunteers currently serving in Iraq are providing excellent, as well as cost-effective, support for the Programme. The deployment of additional United Nations volunteers, requested by the United Nations agencies, is to be encouraged and I expect that the Government will address this matter promptly and favourably.

58. In my report to the Council of 2 June 1997, I expressed the hope that the needs of vulnerable groups identified by United Nations agencies would be included in the second distribution plan. After extensive consultations, the Minister for Foreign Affairs informed me that, since no additional resources had been authorized under resolution 1111 (1997), the needs of vulnerable groups would be met outside the framework of the resolution. I am glad to report that the United Nations has been creative in preparing the plan for the three northern governorates and was able to increase the resources for some key sectors through reallocations within the total amount of funds available. In approving the new distribution plan, I have informed the Government that the United Nations accepts the Government's assurances as a commitment that the necessary additional resources will be available for vulnerable groups in central and southern Iraq. I have also informed the Government that the United Nations will continue to observe the situation of such groups in the context of my responsibilities under resolutions 986 (1995) and 1111 (1997) to determine and report on the adequacy of resources to meet the humanitarian needs of the Iraqi population. I look forward to the full cooperation of the Government of Iraq in this area and I shall keep the Council informed on further developments.

Annex I

Food commodity arrivals, distribution and stock balances as at 31 August 1997 at the governorate level and ration scales implemented

Commodity	Cumulative arrivals	Quantity distributed	Stock balance available	Ration scales: Government of Iraq	Ration scales: Resolution 986 (1995)	Ration scales implemented[a]: June	July	August	September[b]
	(Tons)			(Kilograms)					
Vegetable ghee	88 943	87 471	1 472	0.75	1.00	986	986	986	986
Infant formula	6 137	2 813	3 324	1.80	2.70	986	986	986	986
Pulses	107 540	71 741	35 799	-	1.00	986	986[c]	986	986
Rice	182 622	155 942	26 680	1.25	2.50	GOI	986[d]	986	986
Salt	10 407	10 032	375	-	0.15	986	986	986	986
Sugar	103 665	88 769	14 869	0.50	2.00	GOI	986	986	986
Tea	7 252	6 588	634	0.10	0.15	GOI	986	986	986
Wheat	1 099 241	1 047 171	52 069	7.50	9.00	986	986	986	986
Toilet soap	25 496	22 085	3 411	0.15	0.25	986	986	986	986
Detergent	28 505	23 766	4 739	0.25	0.35	GOI	986	986	986
Total	1 659 808	1 516 378	143 102						

[a] GOI = Government of Iraq.
986 = Resolution 986 (1995).

[b] Ration scales for September are projected based on quantities of commodities on hand and expected arrivals.

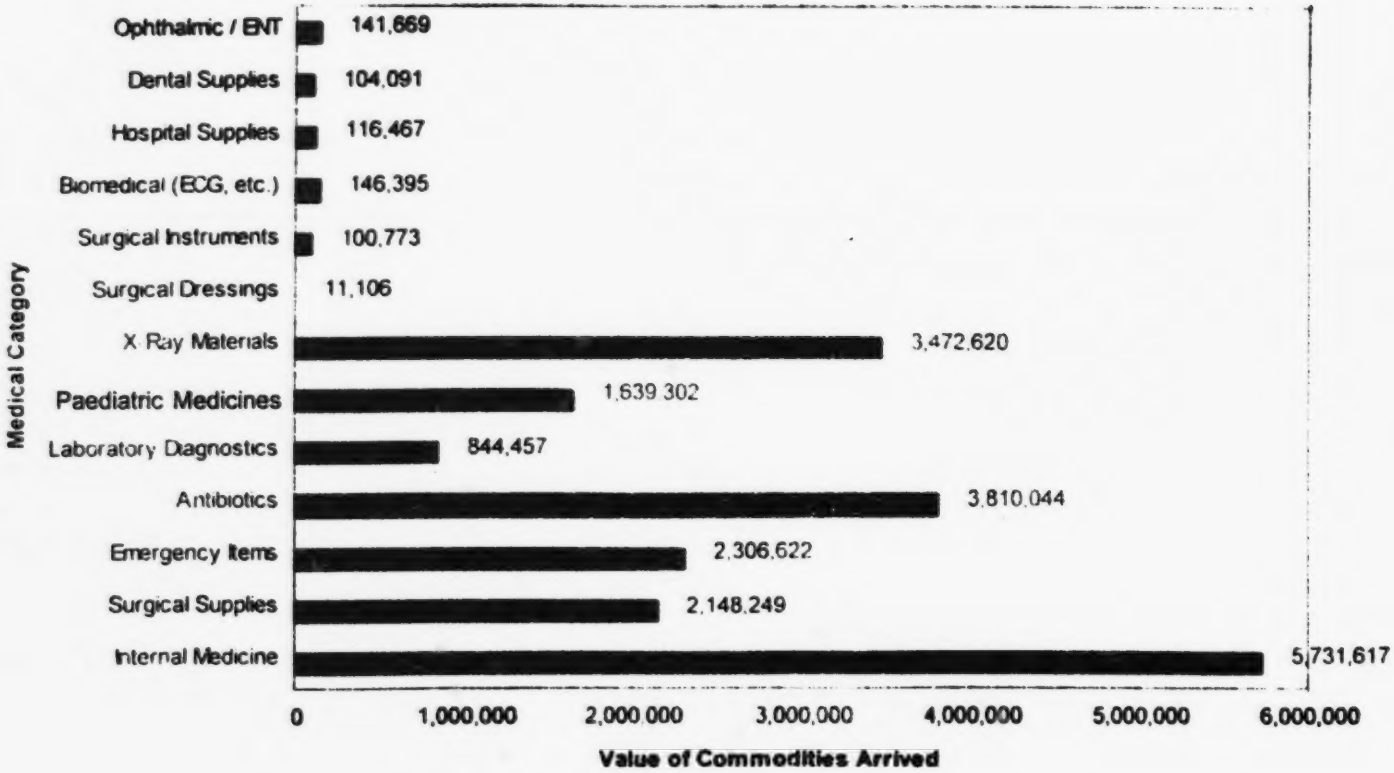
[c] Ration level of pulses for the month of July was 0.50 kg instead of 1.00 kg.

[d] Ration level of rice for the month of July was 2.00 kg instead of 2.50 kg.

Annex II

Cumulative value of medical commodities received in Iraq by medical category

(United States dollars)



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Annex III

Summary of United Nations applications received and approved for the three northern governorates as at 31 August 1997 (13 per cent account)

Sector	Amount allocated (Millions of United States dollars)	Applications received		Applications approved		Reimbursement for joint purchase (United States dollars)	Sector balance (United States dollars)
		No.	Value (United States dollars)	No.	Value (United States dollars)		
Agriculture	20.15	5	19 303 638	5	19 303 638	-	846 362
Education	15.15	26	12 471 956	26	12 471 956	-	2 678 044
Food	122.53	7	3 557 068	7	3 557 068	55 406 258	49 027 573
Energy	23.27	57	18 523 799	43	18 465 597	-	4 746 201
Medical	28.80	-	-	-	-	-	28 800 000
Water/sanitation	20.20	31	18 481 537	31	18 481 537	-	1 718 463
Health	10.10	129	9 998 807	129	9 998 807	-	101 193
Epidemiological survey	0.30	-	-	-	-	-	300 000
Demining	2.50	3	831 469	3	831 469	-	1 668 531
Resettlement	12.00	1	6 753 093	1	6 753 093	-	5 246 907
Nutrition	5.00	9	4 820 930	9	4 820 930	-	179 070
Totals	260.00	268	94 742 296	254	94 684 094	55 406 258	150 718 606

Annex IV

United Nations observations for food and medical commodities

Governorate	Food sector			Medical sector			Total observations		
	GOU	WFP	Total	GOU	WHO	Total	GOU	WFP	Total
Southern and Central									
Ninewa	852	194	1 046	72	21	93	924	215	1 139
Ta'mim	1 439	99	1 538	77	15	92	1 570	114	1 630
Baghdad	1 951	417	2 368	164	107	271	2 115	524	2 639
Salahuddin	897	108	1 005	52	26	78	949	134	1 083
Diyala	719	178	897	57	8	65	776	186	962
Anbar	783	147	930	68	21	89	851	168	1 019
Babil	712	269	981	55	16	71	767	285	1 052
Karbala	782	147	929	64	12	76	846	159	1 005
Najaf	562	156	718	81	12	93	643	168	811
Qadissiya	685	129	814	61	12	73	746	141	887
Muthanna	598	102	700	46	14	60	644	116	760
Basrah	1 129	147	1 276	59	32	91	1 188	179	1 367
Missan	1 328	63	1 391	44	16	60	1 372	79	1 451
Thi-Qar	766	104	870	47	10	57	813	114	927
Wasit	1 206	126	1 332	49	52	101	1 255	178	1 433
Subtotal	14 463	2 386	16 795	996	374	1 370	15 405	2 760	18 165
Northern									
Dohuk	25	50	75	0	21	21	25	71	96
Erbil	18	18	36	0	27	27	18	45	63
Suleimaniyah	7	48	55	0	15	15	7	63	70
Subtotal	50	116	166	0	63	63	50	179	229
Total	14 459	2 502	16 961	996	437	1 433	15 455	2 939	18 394

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REPORT OF THE SECRETARY-GENERAL ON THE SITUATION IN TAJIKISTAN

I. INTRODUCTION

1. The present report is submitted pursuant to Security Council resolution 1113 (1997) of 12 June 1997, by which the Council requested me to keep it informed of developments in the country, and to present to it detailed recommendations on the role of the United Nations in support of the implementation of the inter-Tajik agreements and the adjustment of the mandate and strength of the United Nations Mission of Observers in Tajikistan (UNMOT). It brings up to date the record of developments in Tajikistan and of UNMOT, as well as the activities of my Special Representative for Tajikistan, since my report of 30 May 1997 (S/1997/415).

II. CONCLUSION OF GENERAL PEACE AGREEMENT

2. On 27 June 1997, President Emomali Rakhmonov, Sayed Abdullo Nuri, leader of the United Tajik Opposition (UTO) and Mr. Gerd Merrem, my Special Representative for Tajikistan, signed in Moscow the General Agreement on the Establishment of Peace and National Accord in Tajikistan and the Moscow Declaration. President Rakhmonov and Mr. Nuri also signed a Protocol of Mutual Understanding, which was witnessed by Mr. Merrem, Foreign Minister Yevgeny M. Primakov of the Russian Federation and Foreign Minister Ali Akbar Velayati of the Islamic Republic of Iran. The signing ceremony was attended by President Boris N. Yeltsin of the Russian Federation, foreign ministers of the observer countries, Secretary-General Azeddine Laraki of the Organization of the Islamic Conference (OIC) and senior officials of the Organization for Security and Cooperation in Europe (OSCE). Mr. Bernard Miyet, Under-Secretary-General for Peacekeeping Operations, attended on my behalf, together with Mr. Merrem. The text of the agreements was circulated under cover of a letter, dated 1 July 1997, from the Permanent Representative of the Russian Federation (A/52/219-S/1997/510).

3. While in Moscow, the Secretary-General of OIC signed the Protocol on Guarantees of the Implementation of the General Agreement, which had been agreed in Tehran on 28 May. The Government of Uzbekistan acceded to the Protocol in New York on 26 August. The Contact Group created by this Protocol convened in Dushanbe on 16 July and has met several times since then. It comprises the

representatives of the guarantor States (Afghanistan, Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Pakistan, Russian Federation, Turkmenistan and Uzbekistan) and includes also the Secretary-General's Special Representative, the head of the OSCE mission in Tajikistan and a representative of OIC. The Secretary-General's Special Representative acts as coordinator of the Contact Group and provides necessary support.

4. In accordance with the Protocol of Mutual Understanding between the President of Tajikistan and the UTO leader, the first meeting of the Commission on National Reconciliation took place in Moscow under the chairmanship of Mr. Nuri from 7 to 11 July 1997. The Commission adopted an Act on Mutual Forgiveness, which was signed by President Rakhmonov on 14 July, and prepared a draft Act on Amnesty, which was adopted by the Majlisi Oli (Parliament) on 1 August 1997. This was not only a step forward in the process of national reconciliation but also removed a potential obstacle to the return of the UTO members of the Commission to Tajikistan. Based on the same Protocol, the exchange of 49 captured government soldiers and 48 detained UTO supporters took place on 18 to 20 July 1997. Both Tajik sides confirmed at the highest level their intention to finalize the practical preparations for the Commission to begin its work inside the country as soon as possible. These preparations have focused mainly on the stationing of the 460 UTO fighters in Dushanbe. This was delayed, owing to disagreement over the site and deployment of the UTO unit as well as the security situation in the country in mid-August. On 2 September, both sides informed Mr. Merrem that this difficulty had been overcome in the course of a telephone conversation between President Rakhmonov and Mr. Nuri, and that the latter would arrive in Dushanbe, together with his colleagues, in time for the commemoration of Tajikistan's independence day, which is on 9 September.

III. DEVELOPMENTS IN TAJIKISTAN AND ACTIVITIES OF THE MISSION

5. The situation in Tajikistan continued to be volatile. Several unclaimed acts of violence took place in Dushanbe and other parts of the country. On 6 June, a bomb exploded in Khorog, the administrative capital of Gorno-Badakhshan, killing two UTO members. An officer of the Collective Peacekeeping Forces of the Commonwealth of Independent States (CIS) was killed and a warrant officer was wounded in Dushanbe on 17 June. A bomb was detonated on 26 July near the presidential palace in Dushanbe, injuring several persons.

6. In the second week of June, tensions mounted in Khatlon province south of Dushanbe when the commander of the Government's Rapid Reaction Brigade, Colonel Mahmud Khudoiberdiev, asserted control from his base in Kurgan-Tube over parts of Khatlon province and Hissar, Shakhrinau and Tursunzade. Subsequently, he took control of the Fahrabad pass, 25 kilometres south of Dushanbe. Efforts to find a negotiated solution were not successful, and in the second week of August fighting broke out between the Rapid Reaction Brigade and the Presidential Guard. On 9 August, there was heavy fighting in the northern outskirts of Dushanbe between the Ministry of Interior's Special Forces Brigade and forces of Mr. Yakub Salimov, the Customs chief, for whom Colonel Khudoiberdiev declared his support. The Customs chief's forces retreated towards the Hissar valley and, on 11 August, the Presidential Guard took Tursunzade, Hissar and Shakhrinau. As a result of contacts between

Colonel Khudoiberdiev and President Rakhmonov facilitated by the Collective Peacekeeping Forces of CIS, an agreement was reached whereby Colonel Khudoiberdiev was relieved of his post by a presidential decree and both sides were to withdraw their forces. Despite the agreement, troops of the Presidential Guard and the Ministry of Interior continued to press their attack, entering Kurgan-Tube and pushing Colonel Khudoiberdiev towards Kabodion and Shaartuz, near the Uzbek border. As of this writing, Khatlon province is under the control of the Ministry of Interior and the Presidential Guard. In the wake of the fighting, UNMOT received reports of local inhabitants being harassed by these troops. Colonel Khudoiberdiev's whereabouts are unknown.

7. On 1 August, two sons of Mr. Amanullo Nematzoda, Mufti of Tajikistan, were kidnapped from their home near Dushanbe by armed supporters of the Sodirov brothers. In exchange for the two sons, the group demanded the release of Bakhrom Sodirov, under government custody, or US$ 100,000. On 22 August, the Supreme Court of Tajikistan confirmed that it had received an official proposal from the group to exchange the two sons for Bakhrom. His brother Rizvon remains at large. On 27 August, Mr. Nematzoda was himself taken by the same group, reportedly as he attempted to secure the release of his sons. On 1 September, government forces launched an operation against the Sodirov group. The next day, Mr. Nematzoda was released but not his two sons. At the time of reporting, the situation was still ongoing.

8. The ceasefire between the Tajik Government and the United Tajik Opposition continued to hold until 19 August, when fighting broke out between forces loyal to opposition field commanders in the Kofarnikhon and Teppei Samarkandi areas and Ministry of Interior troops, following the arrest on criminal charges of three members of the opposition group by the local police. The opposition took three policemen hostage, demanding an exchange. The Joint Commission, together with UNMOT, negotiated the release of those held. At the same time, opposition fighters in neighbouring Turkobad took four civilians hostage, demanding the return of a vehicle that had been confiscated by the police. The same Joint Commission/UNMOT team negotiated their release. However, the situation in Turkobad continued to be tense and, on 27 August, five UTO fighters were killed in a clash with the police. Mr. Davlat Usmon, UTO Chief of Staff, together with members of the Joint Commission, went to the area in order to establish the facts and defuse tension. However, on 29 August, intense fighting took place between UTO members and Ministry of Defence troops about 9 kilometres east of Dushanbe. UTO took nine prisoners, of whom five were released the next day.

9. In other developments, the Government has reported the large-scale theft of livestock, which are alleged to have been taken to UTO strongholds in the Tavildara sector. A commission has been formed, comprising representatives of the Government, UTO, UNMOT and the farms concerned, to investigate the thefts.

10. On 23 August, the Mission's helicopter developed engine trouble en route from Childara to Dushanbe and had to make an emergency landing at Komsomolabad. On inspection two bullet holes were discovered in the aircraft. The helicopter carried Mr. Amirkul Azimov, Secretary of the National Security Council, Mr. Usmon, a member of the Commission on National Reconciliation from the Government side, an official from the President's office, a CIS liaison officer, the Mission's Deputy Chief Military Observer and another military observer, all

of whom were travelling in connection with arrangements to transport the initial 200 of the 460 UTO fighters to be stationed in Dushanbe. No one has claimed responsibility for the shooting.

11. In the Garm and Tavildara areas, differences arose with UTO over the Mission's freedom of movement. On 18 August, UNMOT was informed in writing by the UTO field commander in Garm that, in future, the Mission's helicopter would only be allowed to fly over the area if an opposition representative was on board. In addition, UNMOT would not be allowed to patrol certain areas by road. The UTO field commander in Tavildara informed UNMOT of similar restrictions in his area of responsibility. UNMOT met with the field commander in Garm on 22 August to protest these restrictions. The commander, while expressing support for the Mission's activities, continued to insist that certain areas would remain out of bounds for United Nations personnel. UNMOT has protested to Mr. Nuri and is pursuing the matter.

12. UNMOT continued to lend assistance to the Joint Commission established under the 1994 ceasefire agreement, and to the delegations led by Messrs. Azimov and Usmon. Rotation of military observers was resumed on 4 June and UNMOT was brought up to full strength.

13. At present, UNMOT comprises 44 military observers from Austria (5), Bangladesh (7), Bulgaria (6), Denmark (4), Jordan (5), Poland (3), Switzerland (5), Ukraine (3) and Uruguay (6), and 63 civilian personnel, of whom 23 are internationally recruited. In addition to its headquarters in Dushanbe, UNMOT maintained its team site in Khujand and re-established teams in Khorog, Kalaikhum, Garm and Kurgan-Tube. Mr. Merrem continued as my Special Representative and Head of Mission. Brigadier-General Boleslaw Izydorczyk (Poland) continued as Chief Military Observer.

IV. HUMANITARIAN AND REHABILITATION ACTIVITIES

14. The return of United Nations personnel in early May permitted the resumption of humanitarian assistance in the country. However, the fighting among government forces in August forced a temporary evacuation of staff from the Khatlon area and a reduction of activities by United Nations agencies. The current donor alert, which was extended through August 1997, resulted in only half of the requested US$ 22 million, mostly against World Food Programme (WFP) food aid requirements. An updated alert, outlining additional humanitarian requirements to sustain vulnerable groups during the winter months, is to be issued in September.

15. Other humanitarian organizations such as the International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC) and non-governmental organizations continued to play a key role in ensuring the continuation of relief and rehabilitation assistance programmes, especially during floods in May and June. WFP contributed daily rations for distribution to over 2,100 families identified by IFRC.

16. The Office of the United Nations High Commissioner for Refugees (UNHCR) resumed voluntary repatriation of refugees from Afghanistan on 17 July. As at

28 August, more than 3,000 persons were repatriated through Nizhniy-Pyanj. Preparations are also under way for the return of refugees through Ishkashim and Termez. UNHCR issued an appeal in early August totalling $9.7 million to cover the cost of the return and initial reintegration of some 25,000 refugees, mostly from northern Afghanistan, over the next 18 months. Some 2,000 internally displaced persons were airlifted from Khorog to Dushanbe by the International Organization for Migration (IOM) and another 2,600 were returned from Dushanbe to Darvaz district and Sagirdasht with government assistance.

17. The United Nations Development Programme (UNDP) has completed an evaluation of its programme in order to ensure that its activities support the peace process. The rehabilitation, reconstruction and development programme, which is financed by UNDP and executed by the United Nations Office for Project Services, will serve as one of the main vehicles for support to the reconciliation process.

V. UNITED NATIONS FUNCTIONS IN THE IMPLEMENTATION OF THE INTER-TAJIK AGREEMENTS

18. The signing of the General Agreement and the subsequent convening of the Commission on National Reconciliation launched the period of transition, during which the refugees are to return; the UTO fighters are to be demobilized or reintegrated into the governmental structures; the armed forces, police and security apparatus are to be reformed; and the democratic processes in the country are to be improved, leading to elections and the formation of a new Government. The General Agreement and the separate protocols constitute a broad mandate for political change but do not themselves provide a detailed blueprint. It has been left to the Commission to work out the solutions to the many issues that will need to be addressed. As a consequence, the assistance expected from the international community in this process has been described largely in general terms, with some exceptions, notably in the protocol on military issues.

19. As far as UNMOT is concerned, the functions it would be required to perform during the transition period can be summarized as follows:

To use its best efforts to promote peace and national reconciliation and to assist in the implementation of the General Agreement on the Establishment of Peace and National Accord in Tajikistan and, to this end, to

- provide good offices and expert advice;
- cooperate with the Commission on National Reconciliation and its subcommissions, and with the Central Commission on Elections and the Holding of a Referendum;
- participate in the work of the Contact Group and serve as its coordinator;
- monitor the ceasefire;

- monitor the assembly of UTO fighters and their reintegration, disarmament and demobilization;

- provide initial assistance for the reintegration into the governmental power structures or demobilization of ex-combatants;

- coordinate United Nations assistance to Tajikistan during the transition period.

Concept of operations

20. The implementation of the General Agreement will involve a complex set of actors with distinct responsibilities but overlapping areas of concern. Close liaison, consultation and coordination will therefore be the key to the successful conclusion of this process.

Political issues

21. The Commission on National Reconciliation is the main organ through which the Tajik parties intend to implement the General Agreement. Composed in equal numbers of representatives of the Government and UTO, and chaired by the leader of UTO, Mr. Nuri, it is to oversee the implementation of the agreements in all their aspects and, among other things, propose new legislation, provide guidance for the disbandment, disarmament and reintegration of the UTO fighters and work on the reform of the power structures. UNMOT would be required to work closely with the Commission and its subcommissions. This would entail participating in its meetings and activities, providing information and advice and exercising good offices when the need arises.

22. UNMOT would continue to cooperate closely with OSCE, which has been requested to facilitate the implementation of the General Agreement in the areas related to the observance of human rights and the establishment of democratic political and legal institutions and processes. It is envisaged that UNMOT and the OSCE mission in Tajikistan will complement and support each other in these activities.

23. UNMOT would continue to maintain close contact with the guarantor States and serve as coordinator of the Contact Group.

Military issues

24. UNMOT would continue as before to maintain close liaison with the Collective Peacekeeping Forces of CIS, both in relation to their responsibilities relating to the return of UTO units from Afghanistan (see below) and their other responsibilities in the country. Liaison with the Russian border forces would also continue.

25. The assembly of armed UTO units in the agreed areas (in Vanj, Garm, Jirgatal, Komsomolabad, Kofarnikhon, Rushan, Tavildara, Tajikabad districts and the towns of Khorog and Magmurud), their registration and eventual reintegration into the national army/police, or their demobilization, is to take place in

three stages within six months, and the full merger of former UTO units with the governmental power structures is to be completed by 1 July 1998. The establishment of the assembly areas, the registration of the UTO personnel and the guarding of their weapons will be undertaken by the Tajik parties themselves. The UTO personnel will be assembled as organized military units and will be subordinated to the appropriate Tajik chain of command within one month of assembly. The responsibilities envisaged for UNMOT involve good offices, technical advice and monitoring. UNMOT would establish a team at each assembly area to carry out these functions.

26. In connection with the transfer of UTO units from Afghanistan, the military subcommission of the Commission on National Reconciliation and UNMOT are to travel to Afghanistan and draw up a register of weapons and ammunition. Subject to the agreement of the Afghan authorities, it is envisaged that this would take place on Afghan territory at the two agreed crossing points, Ishkashim and Nizhniy Pyanj. After entering Tajik territory, the UTO units and their arms and ammunition are to be escorted to the assembly areas by the Collective Peacekeeping Forces of CIS, monitored by UNMOT. United Nations military observers would be stationed at the crossing points to perform these functions. Additional observers would monitor movement to the assembly areas.

27. Maintaining the good order and discipline of the UTO personnel during the period of assembly and until their assignment to a regular army or police unit, or their demobilization, as the case may be, will be a key element in the implementation of the General Agreement and the maintenance of the ceasefire during the delicate initial period of the transition process. An important factor in this will be that these personnel are adequately supplied with food, fuel and other necessities. Tajikistan is already dependent on outside assistance for meeting its most basic needs, and cannot assure that the requirements for the assembly areas will be met. At the same time, many donors have regulations that exclude assistance to military forces. Therefore, start-up funds would be included in the cost estimates for UNMOT so that it can assist with supplies for the first two to three months. The assessed budget would be reduced to the extent that voluntary contributions are made available.

28. It will be necessary to continue efforts to maintain a ceasefire in the country. UNMOT would therefore continue to discharge its current functions in this regard, deploy as necessary and carry out patrols and investigations, with a view to defusing tensions and containing conflicts that may arise. United Nations military observers would be stationed, as required, in locations other than the assembly areas, and observers would also be held in readiness in Dushanbe to go to areas of conflict together with representatives of the Tajik parties. It should be noted that the Joint Commission, established in accordance with the 1994 ceasefire agreement, will continue as a subsidiary organ of the Commission on National Reconciliation.

Refugees

29. The protocol on refugees established a timetable of 12 to 18 months (from January 1997) for the return of refugees and internally displaced persons to their places of residence and for the reactivation of the Joint Commission on

Refugees first established in April 1994. UNHCR will continue to carry out its responsibilities in this respect.

International assistance

30. On the day of the signing of the General Agreement on the Establishment of Peace and National Accord in Tajikistan, President Rakhmonov and UTO leader Nuri addressed a letter to me (S/1997/508), in which they expressed their gratitude for the help of the Organization during all stages of the negotiating process and requested the Organization's further assistance in implementing the inter-Tajik agreements. In particular, they requested my assistance in organizing a meeting of potential donors. I have asked Mr. Merrem to take overall charge of the preparations for this meeting.

31. The focus of the donors' meeting will be on activities directly related to the implementation of the agreements, and in particular its critical first stages. This involves relief, assistance and rehabilitation programmes for returning refugees and demobilized fighters, the design and provision of vocational training programmes for demobilized fighters and government soldiers returning to work, and support and technical assistance to the Commission on National Reconciliation and government agencies. Such programmes would aim to consolidate the gains made during the negotiating process as well as to lay the foundations for the rehabilitation, development and democratization of Tajikistan. Under Mr. Merrem's leadership, United Nations agencies, bilateral agencies and non-governmental organizations have prepared a draft document addressing the specific support requirements for the peace process. It is hoped that the parties will have made sufficient progress in their preparations for the implementation of the agreements to warrant the convening of potential donors in mid-October.

32. In order to ensure unity of purpose and effort, and in accordance with my reform plan (see A/51/950, para. 119), I have given my Special Representative authority during the transition period over all United Nations entities in Tajikistan. To assist him in discharging this responsibility, I intend to appoint the United Nations Resident Coordinator as his Deputy. At United Nations Headquarters, a Task Force on Tajikistan has been established, in which all relevant departments and agencies are represented, to establish priorities for peace-building and to ensure coordination.

Timetable

33. The General Agreement does not contain a formal timetable for all the steps to be taken during the transition period. The statute of the Commission on National Reconciliation stipulates that it is a temporary body and is to cease its activity after the convening of the new Parliament and the formation of its leadership structures. It is anticipated that UNMOT would be required to function until that takes place. During the negotiations, the deadline of July 1998 in the protocol on military issues was taken as the target date for the completion of the transition as a whole.

Strengthening of UNMOT

34. To carry out its expanded tasks, UNMOT would need to be strengthened significantly. In view of the responsibilities of UNMOT for the Commission on National Reconciliation and the Contact Group, the Mission's civil affairs component would need to be increased and additional expertise added in the areas of public law (including human rights), police, electoral affairs and coordination of international assistance for the implementation of the General Agreement. UNMOT should also have an effective public information capacity to assist in keeping the Tajik population, as well as the international community, informed of relevant developments during this critical period.

35. The military component of UNMOT would be increased from its present authorized strength of 45 to 120 military observers. The observers would be organized in small teams to be deployed at the 10 assembly areas, the two crossing points and certain regional centres, as well as the headquarters in Dushanbe. The number takes into account that the crossing points are to be closed after two months. It is anticipated that the number of military observers could be reduced once the merger of former UTO units with the governmental power structures is under way.

36. The administrative component of UNMOT would be strengthened to support the larger Mission, as would its communications, road and air transport and other facilities, bearing in mind the mountainous terrain and the bad state of repair of the roads, many of which are cut off as a result of damage or will be impassable for several months in winter. A cost estimate for the enlarged operation will be circulated shortly as an addendum to the present report.

Security

37. In my report of 30 May 1997 (S/1997/415) I referred to a number of open questions, the most important of which was security. This remains a serious concern, as demonstrated by the events described in chapter III of the present report. The situation varies between the regions of the country. The area that is currently considered to pose the greatest risk extends from Dushanbe to Komsomolabad, through which runs the Mission's main road and air route for the movement and supply of the teams to be stationed in the Karategin valley and in the Tavildara sector. Several groups, which do not appear to be fully controlled by either the Government or UTO, operate in the area. The two hostage incidents in December 1996 and February 1997, which involved United Nations personnel, and the ongoing incident involving the Mufti took place in this area, as did the recent clashes between UTO groups and the police.

38. In my previous report I raised the possibility of the Collective Peacekeeping Forces of CIS assuming responsibility for the protection of United Nations personnel, provided all the parties agree. So far, this condition has not been met. Alternatively, I have studied the possibility of deploying a United Nations infantry battalion. However, to be effective such a unit would require the agreement and cooperation of the parties; this has not been forthcoming. In the circumstances, I have explored with the parties the possibility that they themselves might jointly provide security for United

Nations personnel with a combined force drawn from the Tajik army and the unit of 460 UTO fighters to be stationed in Dushanbe. This would be at the same time a confidence-building measure and a first step towards the reintegration of UTO fighters into the national army. The parties have not yet responded formally to this proposal.

VI. OBSERVATIONS

39. It is a cause for great satisfaction that the inter-Tajik negotiations, which were conducted under United Nations auspices since 1994, have been successfully concluded with the signing of the General Agreement on the Establishment of Peace and National Accord. Long and often arduous as the process has been, the greater challenges are still ahead. Strong forces in Tajikistan are sceptical about the peace process. Some are concerned about the implications for them of the transformation of political life that it is to bring about. Others fear that the process might stop short of such a transformation and result in no more than a redivision of power between the contracting parties, to the detriment of others. It will be up to the Government of Tajikistan and UTO to fill the General Agreement with life, to bring all segments of society into the process of reconciliation and, together with them, to reform and strengthen the country's institutions so that they will withstand the stresses and strains to be expected after years of turbulence and upheaval. In the meantime, the situation in the country remains fluid, and the recent hostilities within the government camp and between government forces and certain UTO groups indicate how much is yet to be achieved.

40. The primary responsibility for the negotiations rested with the Tajik parties, and to them must also go the credit for the successful outcome. However, there is no doubt that the negotiations could not have been brought to this conclusion without the support of the observer States and international organizations, which helped to overcome frequent obstacles and setbacks. Recognizing this, the Tajik parties have agreed that close international involvement must be an integral part of the implementation process as well; they have included requests to this effect in the General Agreement. Its implementation will indeed require continuing strong international support and I believe that the international community should respond positively to these requests.

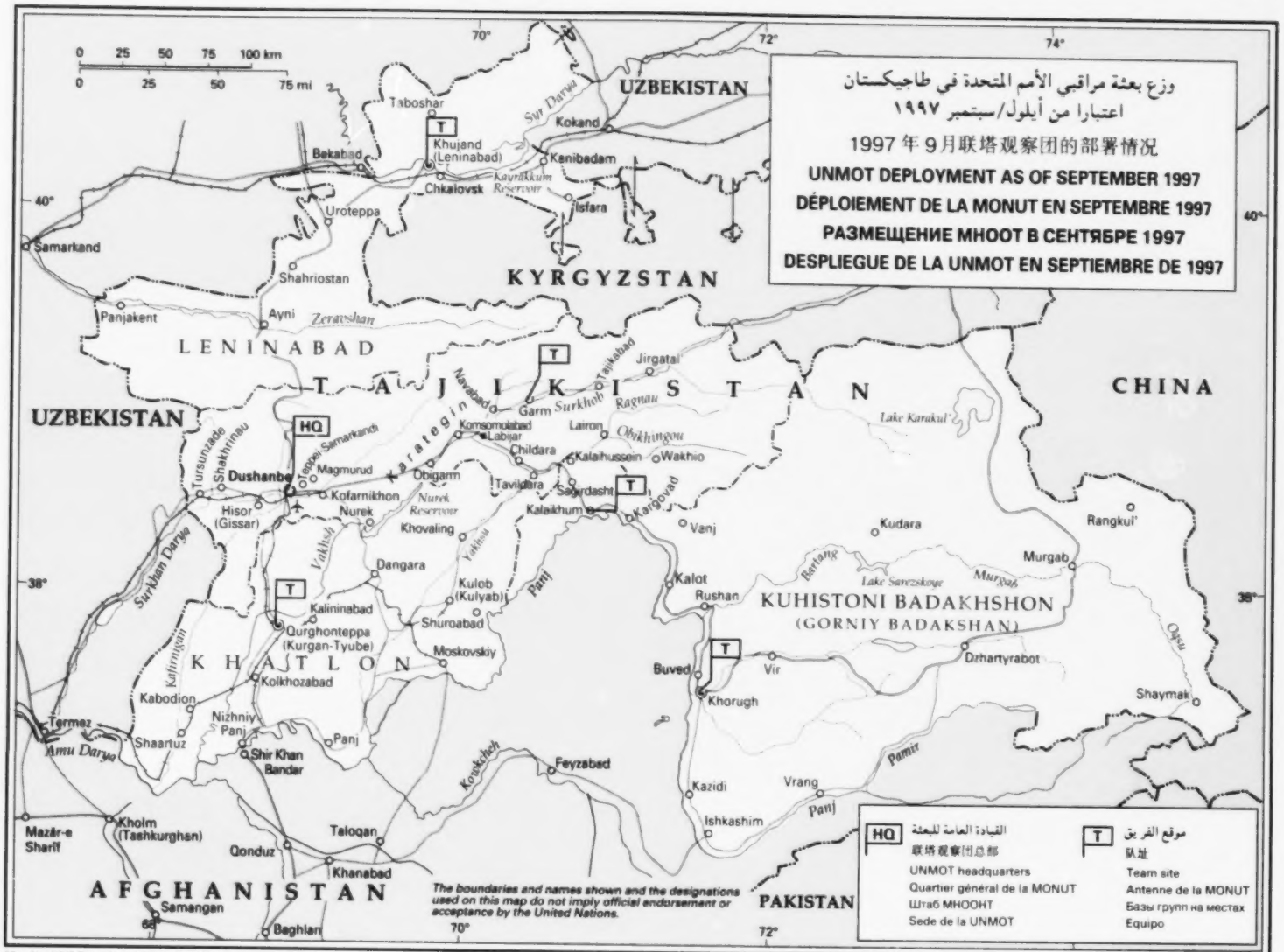
41. In the light of these considerations, I recommend that the Security Council expand the mandate of UNMOT to include the functions outlined in paragraph 19 of the present report and that it authorize the strengthening of the Mission as described in paragraphs 34 to 36. I also recommend that the new mandate be authorized for an initial period of six months.

42. The Tajik parties are aware that UNMOT will not be maintained indefinitely, and this is reflected in the target they have informally set themselves, that is, to complete the transition within one year. This is an ambitious goal, given the magnitude of the task and the conditions prevailing in the country, which have once again deteriorated in recent weeks. Delays have already occurred, and it is to be hoped that the conditions will now be created for the Commission on National Reconciliation to begin discharging its responsibilities

within the next few days. This would have a positive effect on the overall situation in the country and prevent a further loss of momentum.

43. For the same reasons, it would be important for UNMOT to carry out without delay all the additional tasks expected of it. However, the extent to which UNMOT will actually be able to do so will be contingent on measures being taken to ensure that its personnel can perform their duties unhindered and that they will be reasonably safe. So far, this is not assured, especially in the central area around the capital and east of it, thus severely circumscribing the Mission's ability to discharge its responsibilities for the maintenance of the ceasefire and the implementation of the protocol on military issues. I intend to keep this matter under close review and to delay the build-up of the Mission, if necessary, until an adequate solution to this problem has been found. I shall keep the Security Council informed of developments in this regard and seek its guidance, as appropriate.

44. In concluding the present report, I should like to pay a warm tribute to Mr. Merrem, my Special Representative, for his outstanding contribution and leadership, to Brigadier-General Izydorczyk, the Chief Military Observer, and to the men and women serving with UNMOT, for the exemplary manner in which they have performed their difficult and often dangerous duties. I also take this opportunity to acknowledge with appreciation the cooperation and support given my Special Representative by the personnel of the United Nations agencies and programmes operating in Tajikistan.



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